

## **Historic, archived document**

Do not assume content reflects current scientific knowledge, policies, or practices.





---

S. 1040

ABOLISH THE FEDERAL FARM MORTGAGE  
CORPORATION

AUGUST 15, 1961

---





# ABOLISH THE FEDERAL FARM MORTGAGE CORPORATION

TUESDAY, AUGUST 15, 1961

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON CONSERVATION AND CREDIT  
OF THE COMMITTEE ON AGRICULTURE,  
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m. in room 1310, New House Office Building, Hon. W. R. Poage (chairman of the subcommittee) presiding.

Present: Representatives Poage, Gathings, Johnson of Wisconsin, Stubblefield, McIntire, and Dole.

Also present: Christine S. Gallaher, clerk; Hyde H. Murray, assistant clerk; and John Heimbarger, counsel.

Mr. POAGE. The subcommittee will come to order.

We have before us this morning S. 1040, a bill to abolish the Federal Farm Mortgage Corporation, together with the report from the Senate, which will be made a part of the record at this point.

(S. 1040 and the report of the Senate follow:)

[S. 1040, 87th Cong., 1st sess.]

AN ACT To abolish the Federal Farm Mortgage Corporation, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) the Federal Farm Mortgage Corporation, established by the Act of January 31, 1934 (48 Stat. 344; 12 U.S.C. 1020), is hereby abolished; and, except as provided in subsection (d), all of the powers, duties, functions, and authority of such Corporation are hereby terminated.

(b) All right, title, and interest in or to real property other than reserved mineral interests which may appear of public record in any farm credit district to be in the Land Bank Commissioner or the Federal Farm Mortgage Corporation are hereby confirmed to be in the Federal land bank of said district, and said bank is hereby authorized in its own name or in the name of the Federal Farm Mortgage Corporation to execute any assignment, release, satisfaction, or other instrument as may be necessary or appropriate in connection therewith to perfect title of record in the true owners.

(c) All right, title, and interest to any reserved mineral interests of the Federal Farm Mortgage Corporation which have not been disposed of otherwise by the Federal Farm Mortgage Corporation are hereby confirmed to be in the United States of America to be administered by the Secretary of the Interior under the mineral laws of the United States.

(d) There are hereby transferred to the Secretary of the Treasury (1) all cash, accounts receivable, and other assets owned by the Federal Farm Mortgage Corporation, and (2) all authority of such corporation relating to the collection of notes receivable from the Federal land banks.

(e) Any cash received by the Secretary of the Treasury, and any moneys collected by him, by virtue of the transfer made under this section shall be deposited in the general fund of the Treasury as miscellaneous receipts.

SEC. 2. No suit, action, or other proceeding lawfully commenced by or against the Federal Farm Mortgage Corporation shall abate by reason of the enactment of this Act, but the court, on motion or supplemental petition filed at any time within twelve months after the date of such enactment, may allow the same to be maintained by or against the Secretary of the Treasury.

SEC. 3. (a) Sections 1, 2, 3, 4, 5, 6, 12, 17, and 18 of the Federal Farm Mortgage Corporation Act, as amended (12 U.S.C. 1020, 1020a-1020h, 992a, 723(f)), are hereby repealed.

(b) Sections 32 (except the fourteenth sentence thereof), 33, 34, and 35 of the Emergency Farm Mortgage Act of 1933, as amended (12 U.S.C. 1016-1019, except 1016(h), second sentence), are hereby repealed, and the fourteenth sentence of such section 32 (12 U.S.C. 1016(h), second sentence) is hereby amended by deleting therefrom the word "such".

(c) The first sentence of the eighth paragraph of section 13 of the Federal Reserve Act, as amended (12 U.S.C. 347), is amended by striking out "or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act,".

(d) The first sentence of section 14(b) of the Federal Reserve Act, as amended (12 U.S.C. 355), is amended by striking out "bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months,".

(e) The fourteenth paragraph of section 7 of the Federal Farm Loan Act, as amended (12 U.S.C. 723(c)), is amended by striking out the fourth sentence thereof.

(f) The last paragraph of section 12 of the Federal Farm Loan Act, as amended (12 U.S.C. 722), is amended to read as follows:

"Amounts transmitted to Federal land bank associations by Federal land banks to be loaned to its members shall, at the option of the bank, be in current funds or, at the option of the borrower, in farm loan bonds."

(g) Paragraph Eighth of section 13 of the Federal Farm Loan Act, as amended (12 U.S.C. 781), is amended to read as follows:

"Eighth. To buy and sell United States Government obligations direct or fully guaranteed."

(h) Section 13 of the Federal Farm Loan Act, as amended (12 U.S.C. 781), is amended by striking out paragraphs Fifteenth, Sixteenth, and Twentieth thereof.

(i) Section 22 of the Federal Farm Loan Act, as amended (12 U.S.C. 897), is amended by (1) striking out clause (e) under the heading "In the case of a Federal land bank", and (2) striking out clause (e) under the heading "In the case of a joint-stock land bank".

(j) Section 62 of the Farm Credit Act of 1933, as amended (12 U.S.C. 1138b), is amended by striking out "the Federal Farm Mortgage Corporation,".

(k) The Act of June 4, 1936, as amended (49 Stat. 1461; 12 U.S.C. 773a), is amended by striking out "the Federal Farm Mortgage Corporation," and "the Land Bank Commissioner".

(l) Section 7(b) of the First Deficiency Appropriation Act, fiscal year 1936, approved June 22, 1936 (49 Stat. 1648; 15 U.S.C. 712a(b)), is amended by striking out item 4 thereof and by redesignating items 5 to 13, inclusive, as 4 to 12, respectively.

(m) The Act of September 6, 1950 (64 Stat. 769; 7 U.S.C. 1036), is amended by striking out section 4 thereof.

(n) Section 7(a) of the Farm Credit Act of 1953, as amended (12 U.S.C. 636f(a)), is amended by striking out the second and third sentences thereof.

(o) The second sentence of section 433 of title 18 of the United States Code is amended by striking out "the Federal Farm Mortgage Corporation Act,".

(p) The first paragraph of section 493 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation".

(q) Section 657 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation,".

(r) Section 658 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation,".

(s) Section 1006 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation,".

(t) Section 1014 of title 18 of the United States Code is amended by striking out "or the Federal Farm Mortgage Corporation,".

(u) Section 101 of the Government Corporation Control Act, as amended (31 U.S.C. 846), is amended by striking out "Federal Farm Mortgage Corporation;".

(v) The Department of Agriculture Organic Act of 1944, as amended (58 Stat. 741; 12 U.S.C. 1020a-1), is amended by striking out section 603 thereof.

(w) The last paragraph of section 32 of the Federal Farm Loan Act, as amended (12 U.S.C. 992, 993), is hereby repealed.

Passed the Senate June 12, 1961.

Attest :

\_\_\_\_\_  
FELTON M. JOHNSTON, *Secretary.*

## Calendar No. 329

87TH CONGRESS }  
*1st Session*

SENATE

{ REPORT  
No. 358

## ABOLITION OF FEDERAL FARM MORTGAGE CORPORATION

---

JUNE 8, 1961.—Ordered to be printed

---

MR. HOLLAND, from the Committee on Agriculture and Forestry,  
submitted the following

## REPORT

[To accompany S. 1040]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1040) to abolish the Federal Farm Mortgage Corporation, and for other purposes, having considered the same, report thereon with a recommendation that it do pass with an amendment.

This bill would abolish the Federal Farm Mortgage Corporation which has been in liquidation since 1947. Its remaining assets would be transferred to the Secretary of the Treasury.

The committee amendment, which is in the nature of a substitute, incorporates in the bill a number of technical amendments recommended by the Farm Credit Administration, designed to (1) aid in perfecting the record title to lands in which the Corporation has a record interest, (2) repeal obsolete provisions providing for Land Bank Commissioner loans, (3) prevent repeal of section 5 of the Federal Farm Mortgage Corporation Act from being construed as reviving bond issuance authority which section 5 terminated, and (4) make drafting corrections, such as those necessary to designate the provisions amended or repealed correctly.

The bill and the changes made by the committee amendment are fully described in the attached report from the Farm Credit Administration.

Enactment of the bill would not result in any additional Federal expenditure.



## DEPARTMENTAL VIEWS

FARM CREDIT ADMINISTRATION,  
*Washington, D.C., March 29, 1961.*

Hon. ALLEN J. ELLENDER,  
*Chairman, Committee on Agriculture and Forestry,  
U.S. Senate.*

DEAR MR. CHAIRMAN: This is in reply to your request of March 1, 1961, for a report on S. 1040, a bill to abolish the Federal Farm Mortgage Corporation, and for other purposes. The bill would abolish the Federal Farm Mortgage Corporation immediately (sec. 1(a)); transfer its remaining assets to the Secretary of the Treasury (sec. 1(b)); direct that the cash and moneys collected on such assets be deposited in the general fund of the Treasury as miscellaneous receipts (sec. 1(c)); permit suits commenced by or against the Corporation to be maintained by or against the Secretary of the Treasury (sec. 2); and repeal or amend certain laws which established or referred to the Corporation (sec. 3).

Our major suggestion is that the bill should include two sentences set out later in the report which are designed to aid in perfecting title of record in the true owners to any interest in or to real property which the county records may still show to be outstanding in the Corporation notwithstanding all interests of the Corporation in or to real property have been liquidated or transferred. One purpose is to confirm in the Federal land banks and the United States of America the title to the former interests of the Corporation in real property which were sold or transferred to them. Another purpose is to provide for reasonably convenient curative action to perfect record title for the benefit of others, after the Corporation is dissolved, in cases where some interest in real property appears of record to be outstanding in the Corporation because of error or failure to file a release, assignment, or deed.

From 1933, when the Land Bank Commissioner loans were first authorized, until 1947, when the authority to make such loans expired, some 680,000 Land Bank Commissioner loans in the total amount of \$1.2 billion were made to farmers on the security of their farm property. The terms of the loans varied from 10 to 30 or so years, and some have maturities extending into the 1970's. When the Federal Farm Mortgage Corporation was established in 1934, the outstanding Land Bank Commissioner loans were transferred to it and thereafter the loans were made in the name of the Land Bank Commissioner on behalf of the Federal Farm Mortgage Corporation, and the mortgages securing the loans so recited. The mortgages were recorded in the various county record offices in the States and were satisfied of record as the loans were repaid. If a borrower defaulted on his loan and it became necessary to foreclose the mortgage, the Corporation acquired title to the mortgaged farm which it later deeded to a purchaser, usually reserving a portion of the mineral interests when it did so. Such transactions also were recorded in the county record or court offices. All of such lending and related activities in their respective districts were handled by the Federal land banks as agents for the Land Bank Commissioner and the Federal Farm Mortgage Corporation. Our experience with the liquidation of the joint stock

land banks foretells that there will be instances in the future, related to the Federal Farm Mortgage Corporation transactions, in which it will be convenient and desirable if defects in the record title can be cured by a corrective release, assignment, or quitclaim, without resorting to the more cumbersome and expensive procedure of an action to quiet title.

Except for the mineral interests involved in two pending court actions, the Corporation does not own any interest in or to real estate anywhere in the country, notwithstanding a county record may still show some such interest to be outstanding in the Corporation. As of June 30, 1955, all assets then held by the Corporation in each farm credit district as a result of the Land Bank Commissioner loans, except cash, accounts receivable, and reserved mineral interests, were sold to the Federal land bank of the district. This was done under authority of paragraph Twentieth of section 13 of the Federal Farm Loan Act (12 U.S.C. 781 Twentieth), as added by the act of June 1, 1955 (69 Stat. 81). It is our understanding that assignments have been placed of record as to most of the mortgages securing loans purchased by the land banks. Other such mortgages, though, may continue to appear of record as held by the Corporation. In the latter cases, the intention of the land bank was to wait until the loans were paid off according to their terms and then satisfy the mortgages of record in the name of the Corporation, which the banks are presently authorized to do as agents for the Corporation. With the Corporation about to be dissolved, however, assignments of such mortgages from the Corporation to the bank will need to be placed of record before the dissolution unless the proposed legislation should make it unnecessary.

As of or since September 6, 1957, all the remaining mineral interests of the Corporation which were reserved when acquired farms were sold, and which were not sold to the surface owners or others, were transferred to the United States of America to be administered by the Secretary of the Interior under the mineral laws of the United States, except for the mineral interests involved in two pending court actions. The transfer of the mineral interests was in accord with the act of September 6, 1950 (64 Stat. 769, 7 U.S.C. 1036), and all such transfers were recorded.

To clarify the record as much as practicable with respect to such bulk sales and transfers, we suggest that the bill should confirm record title in the Federal land banks to the Land Bank Commissioner loans and related assets purchased by such banks, and confirm record title in the United States of America to the reserved mineral interests. With that done, the curative authority, after dissolution of the Corporation, would be limited to any interest in real estate, other than reserved mineral interests, which appears of record to be in the Corporation. Because the Federal land banks acted as the agent of the Land Bank Commissioner and the Federal Farm Mortgage Corporation in their many transactions, and because the Federal land banks purchased all interests of the Corporation in real estate in their respective districts, except the reserved mineral interests, it seems to us logical and most convenient to the members of the public who will be affected to give such curative authority to the Federal land banks.



The suggestions thus far made for the bill could be adopted by including therein specific provisions substantially as follows:

*As to property of record in the States (other than minerals)*

"All right, title, and interest in or to real property other than reserved mineral interests which may appear of public record in any farm credit district to be in the Land Bank Commissioner or the Federal Farm Mortgage Corporation are hereby confirmed to be in the Federal land bank of said district, and said bank is hereby authorized in its own name or in the name of the Federal Farm Mortgage Corporation to execute any assignment, release, satisfaction, or other instrument as may be necessary or appropriate in connection therewith to perfect title of record in the true owners."

*As to mineral interests*

"All right, title, and interest to any reserved mineral interests of the Federal Farm Mortgage Corporation which have not been disposed of otherwise by the Federal Farm Mortgage Corporation are hereby confirmed to be in the United States of America to be administered by the Secretary of the Interior under the mineral laws of the United States."

The latter provision would include the mineral interests of the Corporation involved in the two court actions. Any reservations of fissionable materials made by the Federal Farm Mortgage Corporation pursuant to Executive Order 9701 (March 4, 1946), if not otherwise disposed of by the Corporation earlier, would seem to have been released by section 68(b) of the Atomic Energy Act of 1954, as amended by section 3 of Public Law 85-681, approved August 19, 1958 (42 U.S.C. 2098(b)). Both of the sentences suggested above could be inserted in section 1 of S. 1040 as indicated in the proposed amendment enclosed herewith.

The present assets of the Federal Farm Mortgage Corporation, which are to be transferred to the Secretary of the Treasury under the bill, consist of cash on hand, \$194,557.40, and the promissory notes of the Federal land banks, for \$2,191,156.94, given to the Corporation in payment for the loan and related assets of the Corporation which were purchased by the land banks. These notes do not bear interest and are payable on June 30 of each year, the last of them being payable in 1965. The cash on hand and the collections on the notes are to be deposited in the general fund of the Treasury as miscellaneous receipts. Already deposited with the Treasury Department in symbol accounts 17-681 and 19-676 is \$216,119.70, as of February 28, 1961, for the payment of matured principal and interest on bonds of the Corporation which have not been presented for payment, and it is assumed that the money in such symbol accounts would continue available for payment of the bonds as they are presented.

Our further suggestions relate to section 3 of the bill.

*Section 3(a).*—The Federal Farm Mortgage Corporation Act consisted of 18 sections, some of which established and specified the powers of the Corporation, and other sections which amended or affected the application of other laws. The preferred approach is considered to be, therefore, to select the sections of the Federal Farm Mortgage Corporation Act to be repealed and then decide on any changes which should now be made in the other statutes amended or affected by the

remaining sections of the Federal Farm Mortgage Corporation Act. On that basis, we would have section 3(a) read as follows:

"SEC. 3. (a) Sections 1, 2, 3, 4, 5, 6, 12, 17, and 18 of the Federal Farm Mortgage Corporation Act, as amended (12 U.S.C. 1020, 1020a-1020h, 992a, 723(f)), are hereby repealed."

Insofar as appropriate and necessary, the provisions of other laws amended or affected by the sections of the Federal Farm Mortgage Corporation Act which are not repealed would then be dealt with later in section 3 of the bill. Also, since section 5 of the Federal Farm Mortgage Corporation Act, which curtailed the authority of the Federal land banks to issue bonds guaranteed by the Government as to interest, is being repealed, the authority to issue such bonds so guaranteed, which now is obsolete, should also be repealed. This could be done with an additional provision in section 3 of the bill as follows:

"(w) The last paragraph of section 32 of the Federal Farm Loan Act, as amended (12 U.S.C. 992, 993), is hereby repealed."

*Section 3(b).*—With the abolition of the Federal Farm Mortgage Corporation, the now obsolete provisions under which the Land Bank Commissioner loans were made from 1933 to 1947 should be repealed in their entirety with the exception of one sentence. The bill as now drawn would repeal only two sentences and strike out references to the Federal Farm Mortgage Corporation in two other sentences of such provisions. The more complete repeal could be accomplished by amending section 3(b) to read as follows:

"(b) Sections 32 (except the fourteenth sentence thereof), 33, 34, and 35 of the Emergency Farm Loan Act of 1933, as amended (12 U.S.C. 1016-1019, except 1016(h), second sentence), are hereby repealed, and the fourteenth sentence of such section 32 (12 U.S.C. 1016(h), second sentence) is hereby amended by deleting therefrom the words 'such' and 'or hereafter'."

As to instruments heretofore executed by a Federal land bank on behalf of the Land Bank Commissioner or the Federal Farm Mortgage Corporation, many of which are now of record, the 14th sentence, as amended, would continue the presumption that they were duly authorized.

*Section 3(f).*—It is suggested that the reference be to the "last" instead of the "thirteenth" paragraph of section 12 of the Federal Farm Loan Act. Also, "Federal land bank associations" should be substituted for "farm loan associations".

*Section 3(g).*—This subsection might preferably begin "Paragraph Eighth" instead of "The eighth paragraph". Also, while the codifiers presumably will insert a heading for the amended provision, "Buying and selling obligations of the United States.—", the heading should be deleted from the bill since the basic law does not have such headings.

*Section 3(h).*—We would substitute "paragraphs Fifteenth, Sixteenth, and Twentieth thereof" for "the fifteenth, sixteenth, and twentieth paragraphs thereof".

*Section 3(k).*—It is suggested that "and 'the Land Bank Commissioner,' " be inserted immediately before the period, as any lending by the Land Bank Commissioner, no longer authorized since 1947, was on behalf of the Federal Farm Mortgage Corporation.

The proposed amendment enclosed herewith would take in all of the suggestions made in this report as to S. 1040.



Subject to the foregoing suggestions, and as directed by the Federal Farm Credit Board, the Farm Credit Administration favors enactment of S. 1040. The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Very truly yours,

R. B. TOOTELL, *Governor.*

### PROPOSED AMENDMENT OF S. 1040

Page 1, line 6, change "(b)" to "(d)".

Page 1, between lines 7 and 8, insert the following:

(b) All right, title, and interest in or to real property other than reserved mineral interests which may appear of public record in any farm credit district to be in the Land Bank Commissioner or the Federal Farm Mortgage Corporation are hereby confirmed to be in the Federal land bank of said district, and said bank is hereby authorized in its own name or in the name of the Federal Farm Mortgage Corporation to execute any assignment, release, satisfaction, or other instrument as may be necessary or appropriate in connection therewith to perfect title of record in the true owners.

(c) All right, title, and interest to any reserved mineral interests of the Federal Farm Mortgage Corporation which have not been disposed of otherwise by the Federal Farm Mortgage Corporation are hereby confirmed to be in the United States of America to be administered by the Secretary of the Interior under the mineral laws of the United States.

Page 1, line 8, change "(b)" to "(d)".

Page 2, line 3, change "(c)" to "(e)".

Page 2, lines 14 through 16, substitute the following:

SEC. 3. (a) Sections 1, 2, 3, 4, 5, 6, 12, 17, and 18 of the Federal Farm Mortgage Corporation Act, as amended (12 U.S.C. 1020, 1020a-1020h, 992a, 723(f)), are hereby repealed.

Page 2, lines 17 through 24, substitute the following:

(b) Sections 32 (except the fourteenth sentence thereof), 33, 34, and 35 of the Emergency Farm Loan Act of 1933, as amended (12 U.S.C. 1016-1019, except 1016(h), second sentence), are hereby repealed, and the fourteenth sentence of such section 32 (12 U.S.C. 1016(h), second sentence) is hereby amended by deleting therefrom the words "such" and "or hereafter".<sup>1</sup>

Page 3, line 13, substitute "last" for "thirteenth".

Page 3, line 16, substitute "Federal land bank associations" for "farm loan associations".

Page 3, line 20, substitute "Paragraph Eighth" for "The eighth paragraph".

Page 3, lines 23 and 24, strike out "Buying and selling obligations of the United States.—"

<sup>1</sup> The Farm Credit Administration subsequently informally advised that it would be technically more correct to leave "or hereafter" in sec. 32 and the committee amendment does not strike these words.

Page 4, lines 2 and 3, substitute "paragraphs Fifteenth, Sixteenth, and Twentieth thereof" for "the fifteenth, sixteenth, and twentieth paragraphs thereof".

Page 4, line 15, immediately preceding the period insert "and 'the Land Bank Commissioner,' "

Page 5, following line 24, add a subsection as follows:

(w) The last paragraph of section 32 of the Federal Farm Loan Act, as amended (12 U.S.C. 992, 993), is hereby repealed.

DEPARTMENT OF AGRICULTURE,  
Washington, D.C., March 27, 1961.

HON. ALLEN J. ELLENDER,  
Chairman, Committee on Agriculture and Forestry,  
U.S. Senate.

DEAR SENATOR ELLENDER: This is in reply to your request of February 24, 1961, for a report on S. 1040, a bill to abolish the Federal Farm Mortgage Corporation, and for other purposes.

The bill would abolish the Federal Farm Mortgage Corporation and terminate the powers, duties, functions, and authority of the Corporation. All cash, accounts receivable, and other assets owned by the Federal Farm Mortgage Corporation and all authority of the Corporation relating to the collection of notes receivable from the Federal land banks would be transferred to the Secretary of the Treasury. Numerous technical changes would be made in related legislation.

The Department has no direct interest in the bill because the Federal Farm Mortgage Corporation is under the jurisdiction of the Farm Credit Administration. For this reason, the Department is not commenting on the technical aspects of S. 1040, but we do concur with the general objectives of the bill.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

#### CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

#### THE FEDERAL FARM LOAN ACT

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the short title of this Act shall be "The Federal Farm Loan Act."*

*	*	*	*	*	*	*
SEC. 7.	*	*	*			
*	*	*	*	*	*	*

Each borrower who obtains a direct loan from a Federal land bank shall subscribe and pay for stock in such bank in the sum of \$5 for each \$100 or fraction thereof borrowed. Such stock shall be held by such Federal land bank as collateral security for the loan of the borrower and shall participate in all dividends. Upon full payment of the loan such stock shall, if still outstanding, be canceled at par, or, in the event that such stock shall have become impaired, at the estimated value thereof as approved by the Land Bank Commissioner, and the proceeds thereof shall be paid to the borrower. [Any borrower's interest in such stock may be transferred or hypothecated, by him or by operation of law, to the Federal Farm Mortgage Corporation.]

*	*	*	*	*	*	*
SEC. 12.	*	*	*			
	*	*	*	*	*	*

Amounts transmitted to Federal land bank associations by Federal land banks to be loaned to its members shall, at the option of the bank, be in current funds [or Federal Farm Mortgage Corporation bonds,] or, at the option of the borrower, in farm loan bonds.

*	*	*	*	*	*	*
SEC. 13.	*	*	*			
	*	*	*	*	*	*

Eighth. To buy and sell United States Government obligations direct or fully guaranteed; and to purchase and acquire from the Federal Farm Mortgage Corporation notes and mortgages representing loans made by the Land Bank Commissioner pursuant to section 32 of the Emergency Farm Mortgage Act of 1933, as amended (title 12, U.S.C. 1016), upon farm property situated in the farm credit district in which said bank is located, and purchase-money mortgages and contracts for the sale of farms held by the Federal Farm Mortgage Corporation in connection with the sale of farm property situated in such district: *Provided*, That no such note and mortgage, purchase-money mortgage, or contract shall be purchased pursuant hereto unless (1) the unpaid balance of the indebtedness represented or secured thereby, together with any indebtedness to the Federal land bank secured by a prior mortgage on the property, does not exceed 65 per centum of the normal value of the farm as determined upon appraisal made pursuant to the Federal Farm Loan Act; (2) the borrower acquires such stock in a Federal land bank association, in addition to any available stock which he may already own, as may be necessary to constitute an amount equal to one share of stock for each \$100 of the unpaid balance of the indebtedness represented or secured by the note and mortgage, purchase-money mortgage, or contract being purchased and acquired, together with the indebtedness secured by any prior lien on the property in favor of the Federal land bank; (3) the Federal land bank association in which such stock is held elects the borrower to membership, if not already a member, and agrees to be liable for the indebtedness secured by the note and mortgage, purchase-money mortgage, or contract being purchased and acquired; and (4) the land bank takes such action, if any, as may be necessary to reduce the rate of interest on the indebtedness secured by the mortgage, purchase-money mortgage, or contract acquired



or purchased to the same rate of interest the bank is charging on first-mortgage loans which it is then making].

\* \* \* \* \*

[Fifteenth. To exchange farm loan bonds for Federal Farm Mortgage Corporation bonds of equal face value.

[Sixteenth. To exchange Federal Farm Mortgage Corporation bonds for farm loan bonds of equal face value.]

\* \* \* \* \*

[Twentieth. Without regard to any limitations or restrictions of this Act, to purchase all assets, except cash, accounts receivable, and reserved mineral interests, held by the Federal Farm Mortgage Corporation as a result of loans made on or before July 1, 1947, in the farm credit district in which said bank is situated and to assume the liabilities of said Corporation for future payment funds of borrowers and trust accounts applicable to said assets. The purchase price of notes and mortgages, purchase money mortgages, and real estate sales contracts shall be equal to the total of the unpaid balances on such items and accrued interest thereon at the date as of which purchase is made, less the total of the liabilities of the Corporation being assumed by the bank as herein provided. The purchase price of real estate, sheriffs' certificates, loans called for foreclosure, loans in suspense, judgments, and any other assets eligible for purchase under this paragraph but not specifically identified herein shall be equal to the fair market value of the assets as determined by agreement. The total consideration for the purchase shall be payable over a period of not more than ten years from the date as of which purchase is made, and upon such terms as shall be agreed upon through negotiation with the Board of Directors of the Corporation.]

\* \* \* \* \*

SEC. 22. \* \* \*

\* \* \* \* \*

Amortization and other payments on the principal of first mortgages held by a farm loan registrar as collateral security for the issue of farm loan bonds shall constitute a trust fund in the hands of the Federal land bank or joint stock land bank receiving the same, and shall be applied or employed as follows:

In the case of a Federal land bank—

(a) To pay off farm loan bonds issued by or in behalf of said bank as they mature.

(b) To purchase at or below par Federal farm loan bonds.

(c) To loan on first mortgages on farm lands within the farm credit district, qualified under this chapter as collateral security for an issue of farm loan bonds.

(d) To purchase United States Government bonds.

[ (e) To purchase Federal Farm Mortgage Corporation bonds. ]

In the case of a joint stock land bank—

(a) To pay off farm loan bonds issued by said bank as they mature.

(b) To purchase at or below par farm loan bonds.

(c) To loan on first mortgages qualified under section sixteen of this Act.

(d) To purchase United States Government bonds.

[(e) To purchase Federal Farm Mortgage Corporation bonds.]

\* \* \* \* \*

SEC. 32. \* \* \*

\* \* \* \* \*

[Until such time as the Land Bank Commissioner determines that Federal farm loan bonds (other than those issued under this paragraph) are readily salable in the open market at a yield not in excess of 4 per centum per annum, but in no case more than two years after this paragraph takes effect, Federal land banks may issue farm loan bonds as authorized under this Act, for the purpose of making new loans, or for purchasing mortgages or exchanging bonds for mortgages as provided in paragraph "Second" of section 13 of this Act. The aggregate amount of the bonds issued under this paragraph shall not exceed \$2,000,000,000, and such bonds shall be issued in such denominations as the Land Bank Commissioner shall prescribe, shall bear interest at a rate not in excess of 4 per centum per annum, and shall be fully and unconditionally guaranteed as to interest by the United States, and such guaranty shall be expressed on the face thereof. In the event that it shall appear to the Land Bank Commissioner that the issuing bank or banks will be unable to pay upon demand, when due, the interest on any such bonds, the Secretary of the Treasury shall, upon the request of the Commissioner, pay the amount thereof, which is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated. Upon the payment of such interest by the Secretary of the Treasury the amount so paid shall become an obligation to the United States of the issuing bank or banks and shall bear interest at the same rate as that borne by the bonds upon which the interest has been so paid. After the expiration of one year from the date this paragraph takes effect, if in the opinion of the Land Bank Commissioner any part of the proceeds of the bonds authorized to be issued under this paragraph is not required for the purpose of making new loans or for purchasing mortgages or exchanging bonds for mortgages as herein provided, such bonds may be issued within the maximum limit herein specified for the purpose of refinancing any outstanding issues of Federal farm loan bonds; but no such bonds shall be issued after two years from the date this paragraph takes effect for the purpose of such refinancing. Any borrower who obtains a loan from a Federal land bank after the date this paragraph takes effect may, at any time after the expiration of five years from the date such loan was made, tender to such bank on any regular installment date, bonds issued under this paragraph in an amount not to exceed the unpaid principal of his loan, and the bonds so tendered shall be accepted by the bank at par in payment of any part of such unpaid principal.]

\* \* \* \* \*

## EMERGENCY FARM MORTGAGE ACT OF 1933

## TITLE II—AGRICULTURAL CREDITS

\* \* \* \* \*

SEC. 32. [The Reconstruction Finance Corporation is authorized and directed to allocate and make available to the Land Bank Commissioner the sum of \$200,000,000, or so much thereof as may be necessary, to be used for the purpose of making loans as hereinafter provided to any farmer, secured by a first or second mortgage upon the whole or any part of the farm property, real or personal, including crops, of the farmer. The amount of the mortgage given by any farmer, together with all prior mortgages or other evidences of indebtedness secured by such farm property of the farmer, shall not exceed 75 per centum of the normal value thereof, as determined upon an appraisal made pursuant to the Federal Farm Loan Act, as amended; nor shall a loan in excess of \$7,500, be made to any one farmer. For the purposes of this section, farm property may be valued at an amount representing a prudent investment, consistent with community standards and rentals, if (1) the person occupying the property is not entirely dependent upon farm income for his livelihood but receives a part of his income from other dependable sources, and (2) the farm income from the property, together with earnings from other dependable sources ordinarily available in the community to a person operating such property, would be sufficient to support his family, to pay operating expenses and fixed charges, and to discharge the interest and amortization payments on the loan. Every mortgage made under this section shall contain an agreement providing for the repayment of the loan on an amortization plan by means of a fixed number of annual or semiannual installments, sufficient to cover (1) interest on unpaid principal at a rate of 1 per centum per annum higher than the rate on loans through Federal land bank associations made at the same time by the Federal land bank in the farm credit district in which the security for the loan under this section is located: *Provided, however,* That loans guaranteed under title III of the Servicemen's Readjustment Act of 1944 may be made at such lower rate as may be necessary to qualify them for such guaranty and (2) such payments equal in amount to be applied on principal as will extinguish the debt within an agreed period of not more than ten years or, in the case of a first or second mortgage secured wholly by real property within an agreed period no greater than that for which loans may be made under the Federal Farm Loan Act, as amended, from the date the first payment on principal is due: *Provided,* That when in the judgment of the Land Bank Commissioner conditions justify it, any mortgage made under this section may provide that during the first three years the loan is in effect payments of interest only may be required if the borrower shall not be in default with respect to any other condition or covenant of his mortgage. The instruments under which each loan under this section is made and security given therefor shall provide that if at any time it shall appear to the lender that the borrower may be able to obtain a Federal land bank loan on the mortgaged property, the borrower shall, on request of the lender, apply for a Federal land bank loan to pay off the loan under this section, and shall accept such loan as may be offered to him by the Federal land bank, if sufficient in amount



to pay the loan under this section and pay for any stock which it is necessary for him to purchase in obtaining the loan from the Federal land bank. No loan shall be made under this section unless the holder of any prior mortgage or instrument of indebtedness secured by such farm property arranges to the satisfaction of the Land Bank Commissioner to limit his right to proceed against the farmer and such farm property for default in payment of principal. Loans may be made under this section for any of the purposes for which Federal land banks are authorized by law to make loans, and for the following additional purpose, and none other: Refinancing, in connection with proceedings under chapter VIII of the Bankruptcy Act of July 1, 1898, as amended, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan. The provisions of paragraph "Ninth" of section 13 of the Federal Farm Loan Act, as amended (relating to charges to applicants for loans and borrowers from the Federal land banks), shall, so far as practicable, apply to loans made under this section. As used in this section, (1) the term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations or livestock raising, and includes a personal representative of a deceased farmer; (2) the term "person" includes an individual or a corporation engaged in the raising of livestock; and (3) the term "corporation" includes any incorporated association; but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the land to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 per centum in value and number of shares of the stock of the corporation is owned by the individuals personally actually so engaged, and (B) unless the owners of at least 75 per centum in value and number of shares of the stock of the corporation assume personal liability for the loan. No loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for. Until July 1, 1947, the Land Bank Commissioner shall, in his name, make loans under this section on behalf of the Federal Farm Mortgage Corporation, and may make such loans in cash or in bonds of the corporation, or if acceptable to the borrower, in consolidated farm loan bonds; but no such loans shall be made by him after July 1, 1947, except for the purpose of refinancing loans previously made by him under this section. As much as may be necessary of the assets of the corporation, including the bonds (and proceeds thereof) issued under section 4 of the Federal Farm Mortgage Corporation Act, may be used for the purposes of this section. Any Federal land bank, when duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation, shall have the power to execute any instrument relating to any mortgage taken to secure a loan made or to be made under this section, or relating to any property included in any such mortgage, or relating to any property acquired by the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation.】 Any 【such】 instrument

heretofore or hereafter executed on behalf of the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation by a Federal land bank, through its duly authorized officers, shall be conclusively presumed to have been duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation.

[Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944, and shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 1, 1944, and prior to July 1, 1945. Notwithstanding the interest rate provided for in so-called purchase-money mortgages and real estate sales contracts taken by the Federal Farm Mortgage Corporation, the rate of interest payable on such mortgages and contracts shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on and after July 1, 1942, and prior to July 1, 1944.

#### [REGULATIONS

[SEC. 33. The Land Bank Commissioner is authorized to make such rules and regulations, and to appoint, employ, and fix the compensation of such officers, employees, attorneys, and agents as may be necessary to carry out the purposes of this title and to make the relief contemplated by this title immediately available, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States: *Provided*, That no salary or compensation in excess of \$10,000 shall be paid to any person employed under the terms of the foregoing section.

#### [FACILITIES OF FEDERAL LAND BANKS AND FEDERAL LAND BANK ASSOCIATIONS MADE AVAILABLE

[SEC. 34. The Federal land banks and the Federal land bank associations are authorized, upon request of the Land Bank Commissioner, to make available to him their services and facilities to aid in administering the provisions of this title.

#### [PENALTIES

[SEC. 35. Any person who shall knowingly make any material false representation for the purpose of obtaining any loan under part 3 of this title, or in assisting in obtaining any such loan, shall, upon conviction thereof, be fined not more than \$1,000, or imprisoned not more than six months, or both.]



# FARM CREDIT ACT OF 1933

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## TITLE I

SECTION 1. This Act shall be known as the "Farm Credit Act of 1933."

\* \* \* \* \*

SEC. 62. The Central Bank for Cooperatives, the Production Credit Associations, [the Federal Farm Mortgage Corporation,] and Banks for Cooperatives, organized under this Act, when designated for that purpose by the Secretary of the Treasury, shall act as fiscal agents of the United States Government and when acting as such shall perform such duties as shall be prescribed by the Secretary of the Treasury.

\* \* \* \* \*

## THE FEDERAL FARM MORTGAGE CORPORATION ACT

AN ACT To provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* [That there is hereby established a corporation to be known as the "Federal Farm Mortgage Corporation", hereinafter in this Act referred to as the "corporation." The principal office of the corporation shall be located in the District of Columbia and the management of the corporation shall be vested in a board of directors consisting of the Secretary of the Treasury, or an officer of the Treasury designated by him, the Governor of the Farm Credit Administration, hereinafter in this Act referred to as the "Governor", and the Land Bank Commissioner. The directors shall receive no additional compensation for their services as directors of the corporation, but may be allowed actual necessary traveling and subsistence expenses when engaged in the business of the corporation outside of the District of Columbia. The Governor shall be the chairman of the board of directors. The directors shall have power to adopt such bylaws, rules, regulations, and amendments thereto as they deem necessary for the conduct of the business of the corporation authorized under this Act. The directors shall have power, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation and duties of such agents, officers, and employees of the corporation as may be necessary to carry out the powers and duties conferred upon the corporation by this Act, to require bonds of them and fix the penalties thereof and dismiss them at pleasure, and to prescribe the manner in which the obligations of the corporation shall be incurred and its expenses allowed and paid, but the rates of compensation of such agents, officers, and employees of the corporation shall not exceed the rates of compensation prescribed for comparable duties by the Classification Act of 1949, as amended.

[SEC. 2. The corporation shall have succession until dissolved by Act of Congress; shall have power to sue and be sued in any court, to adopt and use a corporate seal, to make contracts, and to acquire, hold, and dispose of real and personal property necessary and incident to the conduct of its business; and shall have such other powers as may be necessary and incident to carrying out its powers and duties under this Act. The corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The corporation, with the consent of any board, commission, independent establishment, or executive department of the Government, may avail itself of the use of information, services, facilities, officers, agents, and employees thereof, in carrying out the provisions of this Act.

[SEC. 3. The capital of the corporation shall be in the sum of \$200,000,000, which shall be subscribed by the Governor on behalf of the United States in such amounts and at such times as he deems necessary for the purposes of the corporation. For the purpose of such capital subscription, the funds and proceeds thereof made available to the Land Bank Commissioner under section 32 of the Emergency Farm Mortgage Act of 1933 and the mortgages taken by the Commissioner and the credit instruments secured thereby are hereby transferred to the corporation. The Federal Farm Mortgage Corporation is authorized to repay to the Secretary of the Treasury on behalf of the United States from time to time such portions of the amounts subscribed to the capital stock of the Corporation as are found by the board of directors to be in excess of the capital necessary to enable the Corporation to carry out its functions as authorized by law. The proceeds of such repayments shall be held in the Treasury of the United States as a fund available for subscription, by the Governor on behalf of the United States with the approval of the Secretary of the Treasury, to the capital of the Corporation when, in the judgment of the directors of the Corporation, additional subscriptions to its capital are necessary.

[SEC. 4. (a) With the approval of the Secretary of the Treasury, the corporation is authorized to issue and have outstanding at any one time bonds in an aggregate amount not exceeding \$2,000,000,000. Such bonds shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices, as may be prescribed by the corporation, with the approval of the Secretary of the Treasury. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is



authorized to purchase any bonds of the corporation issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Loan Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of the corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the corporation shall be treated as public debt transactions of the United States. No such bonds shall be issued in excess of the assets of the Corporation, including the assets to be obtained from the proceeds of such bonds, but a failure to comply with this provision shall not invalidate the bonds or the guaranty of the same. The corporation shall have power to purchase such bonds in the open market at any time and at any price.

On such terms and conditions as may be agreed upon, the corporation may exchange such bonds, upon application of any Federal land bank for consolidated farm loan bonds of equal face value issued under the Federal Farm Loan Act, as amended, and may exchange such consolidated farm loan bonds held by it for bonds of the corporation of equal face value.

[(b) The corporation is further authorized to purchase from time to time, for cash, such consolidated farm loan bonds at such prices and upon such terms as may be approved by the board of directors of the corporation; to make loans to Federal land banks and joint stock land banks on the security of real estate mortgages, sheriff's certificates, sales contracts and real estate, upon such terms and conditions as shall be prescribed by the board of directors of the corporation: *Provided, however,* That loans outstanding to joint stock land banks under this subsection shall not at any one time exceed in the aggregate \$10,000,000; to make loans to Federal land banks on the security of consolidated farm loan bonds; and to invest its funds in mortgage loans made under section 32 of the Emergency Farm Mortgage Act of 1933, as amended.

[When in the judgment of the directors' conditions justify it, the corporation shall have power to extend, in whole or in part, any unpaid obligation under the terms of any mortgage, and to accept payment of any such obligation together with interest thereon, at a rate not exceeding 5 per centum per annum, during such period and in such amounts as may be agreed upon at the date of making such extension. The Corporation is authorized and empowered to sell and assign, without recourse and without warranty, its notes and mortgages representing loans made by the Land Bank Commissioner pursuant to section 32 of the Emergency Farm Mortgage Act of 1933, as amended (title 12 U.S.C. 1016), to the Federal land bank located in the farm credit district in which the mortgaged farm properties are situated and to sell and assign in like manner purchase money mortgages and contracts for the sale of farms held by the Federal Farm Mortgage Corporation in connection with the sale of farm property situated in such district.

[(c) In order to furnish bonds for delivery by the Federal Farm Mortgage Corporation, the Secretary of the Treasury is hereby authorized to prepare suitable bonds in such form, subject to the pro-

visions of this Act, as the board of directors may approve, such bonds when prepared to be held in the Treasury subject to delivery upon order of the corporation. The engraved plates, dies, bedpieces, and so forth, executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The corporation shall reimburse the Secretary of the Treasury for any expenditures made in the preparation, custody, and delivery of such bonds.

【SEC. 5. After ninety days after the enactment of this Act, no Federal land bank shall issue any bonds under the provisions of the last paragraph of section 32 of the Federal Farm Loan Act, as amended, subject to the guarantee of interest on such bonds by the United States except for the purpose of refinancing any bond which is or has been issued subject to such guarantee of interest.

【SEC. 6. Direct loans made under section 7 of the Federal Farm Loan Act, as amended (U.S.C., Sup. VII, title 12, sec. 723), may, at the option of the Federal land bank, be made in bonds of the Federal Farm Mortgage Corporation.】

SEC. 7. The thirteenth paragraph of section 12 of the Federal Farm Loan Act, as amended (U.S.C., Sup. VII, title 12, sec. 772), is amended to read as follows:

“Amounts transmitted to farm loan associations by Federal land banks to be loaned to its members shall, at the option of the bank, be in current funds or Federal Farm Mortgage Corporation bonds, or, at the option of the borrower, in farm loan bonds.”

SEC. 8. (a) Section 13 of the Federal Farm Loan Act, as amended (U.S.C., Sup. VII, title 12, sec. 781), is amended by inserting at the end thereof the following new paragraphs:

“Fifteenth. To exchange farm loan bonds for Federal Farm Mortgage Corporation bonds of equal face value, and to purchase Federal Farm Mortgage Corporation bonds at or below par.

“Sixteenth. To exchange Federal Farm Mortgage Corporation bonds for farm loan bonds of equal face value.”

(b) The seventh paragraph of section 22 of the Federal Farm Loan Act, as amended (U.S.C., title 12, sec. 897), is amended by adding the following after the first subparagraph (d) thereof:

“(e) To purchase Federal Farm Mortgage Corporation bonds.”

SEC. 9. Section 32 of the Emergency Farm Mortgage Act of 1933 (U.S.C., Sup. VII, title 12, sec. 1016) is amended by inserting at the end thereof the following: “Until February 1, 1936, the Land Bank Commissioner shall, in his name, make loans under this section on behalf of the Federal Farm Mortgage Corporation, either in cash or in bonds of the corporation at his election, but no such loans shall be made by him after February 1, 1936, except for the purpose of refinancing loans previously made by him under this section. Not to exceed \$600,000,000 of the bonds and proceeds thereof issued under section 4 of the Federal Farm Mortgage Corporation Act are hereby made available for the purposes of this section, in addition to the amounts transferred to such corporation under section 3 of such Act.”

SEC. 10. Section 32 of the Emergency Farm Mortgage Act of 1933 is amended by striking out “\$5,000” and inserting in lieu thereof “\$7,500.”

SEC. 11. Section 62 of the Farm Credit Act of 1933 (relating to fiscal agents of the United States) (U.S.C., Sup. VII, title 12, sec. 1138b) is amended by inserting after “Associations,” the following: “the Federal Farm Mortgage Corporation,”.



[SEC. 12. (a) The corporation, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the corporation shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.]

[(b) Mortgages executed to the Land Bank Commissioner and mortgages held by the Corporation, and the credit instruments secured thereby, and bonds issued by the Corporation under the provisions of this Act, shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation (except surtaxes, estate, inheritance, and gift taxes).]

SEC. 13. Section 64 of the Farm Credit Act of 1933 (relating to unlawful acts and penalties) (U.S.C., Sup. VII, title 12, sec. 1138d) is amended by inserting after "Farm Credit Administration" wherever such phrase appears a comma and the following: "any Federal intermediate credit bank, or the Federal Farm Mortgage Corporation,".

SEC. 14. Paragraph (2) of subsection (a) of section 5 of the Farm Credit Act of 1933 (U.S.C., Sup. VII, title 12, sec. 1131i) is amended by striking out the period at the end thereof and inserting a comma and the following: "and the notes or other obligations evidencing such advances and loans and the security therefor are hereby transferred to the Governor of the Farm Credit Administration."

SEC. 15. (a) Section 5 of the Farm Credit Act of 1933 (U.S.C., Sup. VII, title 12, sec. 1131i) is amended by inserting at the end thereof the following new subsection:

"(c) The amount of all balances, collections, and appropriations allocated under subsection (a) to the revolving fund created thereunder, which is in excess of \$120,000,000, is hereby made available to the Governor of the Farm Credit Administration for the establishment of a revolving fund of not to exceed \$40,000,000. Out of such revolving fund, the Governor is authorized to allocate and, with the approval of the Secretary of the Treasury, to expend such amounts as he deems necessary for subscriptions to the capital stock and/or paid-in surplus of Federal Intermediate Credit Banks."

(b) The first sentence of section 205 of the Federal Farm Loan Act (U.S.C., Sup. VII, title 12, sec. 1061), as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "which amount may be increased from time to time with the approval of the Governor of the Farm Credit Administration."

(c) Section 205 of the Federal Farm Loan Act (U.S.C., title 12, sec. 1061), as amended, is further amended by adding at the end thereof the following: "With the approval of the Secretary of the Treasury, the Governor of the Farm Credit Administration is hereby authorized to subscribe from time to time to the capital stock and/or paid-in surplus of any Federal Intermediate Credit Bank on behalf of the United States, in such amounts as he may determine are necessary for the purpose of meeting the credit needs of eligible borrowers from the bank, and the amount of the capital stock and paid-

in surplus of such bank may be increased or decreased from time to time by the Governor, in accordance with such needs. Such stock shall be divided into shares of \$100 each and subscriptions to such paid-in surplus shall be made in multiples of \$100 out of the revolving fund created under subsection (e) of section 5 of the Farm Credit Act of 1933, as amended. The Governor on behalf of the United States shall make payment for stock and paid-in surplus of such bank and such payment shall be subject to call in whole or in part by the board of directors of the bank, with the approval of the Governor."

SEC. 16. (a) The first sentence of the eighth paragraph of section 13 of the Federal Reserve Act, as amended, is further amended by inserting before the semicolon after the words "section 13(a) of this Act" a comma and the following: "or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act."

(b) Paragraph (b) of section 14 of the Federal Reserve Act, as amended (U.S.C., title 12, secs. 353-358), is further amended by inserting after the words "bonds and notes of the United States" a comma and the following: "bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months."

SEC. 17. (a) If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

[(b) The right to alter, amend, or repeal this Act is hereby expressly reserved.]

SEC. 18. This Act may be cited as the "Federal Farm Mortgage Corporation Act".]

---

### ACT OF JUNE 4, 1936

AN ACT To make lands in drainage, irrigation, and conservancy districts eligible for loans by the Federal land banks and other Federal agencies loaning on farm lands, notwithstanding the existence of prior liens of assessments made by such districts, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Farm Credit Administration, [the Federal Farm Mortgage Corporation,] the Federal land banks, [the Land Bank Commissioner,] and any lending or financing agency established by or under the Farm Credit Act of 1933, as amended, or the Federal Farm Loan Act, as amended, are authorized to make loans or acquire mortgages on lands in any drainage, irrigation, or conservancy district, notwithstanding the existence of any prior lien or charge arising out of an assessment for special benefits made by such district, in any case where (1) such land is otherwise eligible for a loan, (2) such assessment is payable over a period of years, and (3) reasonable security exists for the repayment of the loan, taking into consideration all facts and values, including the term and size of the loan, the integrity of the applicant, and the increased earning capacity of the lands arising from the improvements or benefits in respect of which the assessment was made.

# ACT OF SEPTEMBER 6, 1950

AN ACT To direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

\* \* \* \* \*

[SEC. 4. The Secretary is directed to authorize the Federal Farm Mortgage Corporation to sell and convey the mineral interests heretofore or hereafter acquired by it in conformity with the policy expressed in this Act with respect to the mineral interests described in section 1 hereof.]

\* \* \* \* \*

## FARM CREDIT ACT OF 1953

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### TITLE

SECTION 1. This Act may be cited as the "Farm Credit Act of 1953".

\* \* \* \* \*

SEC. 7. (a) The offices of the Land Bank Commissioner, Production Credit Commissioner, Cooperative Bank Commissioner, and Intermediate Credit Commissioner are hereby abolished. [The Governor shall designate an officer or employee of the Farm Credit Administration to serve at the pleasure of the Governor as a member of the board of directors of the Federal Farm Mortgage Corporation, in lieu of the Land Bank Commissioner. The Federal Farm Mortgage Corporation and its functions and activities are hereby transferred to the Farm Credit Administration and shall be administered therein under the general direction and supervision thereof.]

\* \* \* \* \*

## FEDERAL RESERVE ACT

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the short title of this Act shall be the "Federal Reserve Act."

\* \* \* \* \*

SEC. 13. \* \* \*

\* \* \* \* \*

Any Federal reserve bank may make advances for periods not exceeding fifteen days to its member banks on their promissory notes secured by the deposit or pledge of bonds, notes, certificates of indebtedness, or Treasury bills of the United States, or by the deposit or pledge of debentures or other such obligations of Federal intermediate credit banks which are eligible for purchase by Federal reserve



banks under section 13(a) of this Act; [or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act,] or by the deposit or pledge of bonds issued under the provisions of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, and any Federal reserve bank may make advances for periods not exceeding ninety days to its member banks on their promissory notes secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for rediscount or for purchase by Federal reserve banks under the provisions of this Act. \*All such advances shall be made at rates to be established by such Federal reserve banks, such rates to be subject to the review and determination of the Board of Governors of the Federal Reserve System. If any member bank to which any such advance has been made shall, during the life or continuance of such advance, and despite an official warning of the reserve bank of the district or of the Board of Governors of the Federal Reserve System to the contrary, increase its outstanding loans secured by collateral in the form of stocks, bonds, debentures, or other such obligations, or loans made to members of any organized stock exchange, investment house, or dealer in securities, upon any obligation, note, or bill, secured or unsecured, for the purpose of purchasing and/or carrying stocks, bonds, or other investment securities (except obligations of the United States) such advance shall be deemed immediately due and payable, and such member bank shall be ineligible as a borrower at the reserve bank of the district under the provisions of this paragraph for such period as the Board of Governors of the Federal Reserve System shall determine: *Provided*, That no temporary carrying or clearance loans made solely for the purpose of facilitating the purchase or delivery of securities offered for public subscription shall be included in the loans referred to in this paragraph.

\* \* \* \* \*

SEC. 14. \* \* \*

Every Federal reserve bank shall have power:

\* \* \* \* \*

(b) To buy and sell, at home or abroad, bonds and notes of the United States, [bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months,] bonds issued under the provisions of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, and having maturities from date of purchase of not exceeding six months, and bills, notes, revenue bonds, and warrants with a maturity from date of purchase of not exceeding six months, issued in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues by any State, county, district, political subdivision, or municipality in the continental United States, including irrigation, drainage and reclamation districts, such purchases to be made in accordance with rules and regulations prescribed by the Board of Governors of the Federal Reserve System: *Provided*, That, notwithstanding any other provision of this Act, (1) until July 1, 1962, any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities either in the open market or directly from or to the United States; but all such



purchases and sales shall be made in accordance with the provisions of section 12A of this Act and the aggregate amount of such obligations acquired directly from the United States which is held at any one time by the twelve Federal Reserve banks shall not exceed \$5,000,000,000; and (2) after June 30, 1962, any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities but only in the open market. The Board of Governors of the Federal Reserve System shall include in their annual report to Congress detailed information with respect to direct purchases and sales from or to the United States under the provisions of the preceding proviso.

\* \* \* \* \*

## FIRST DEFICIENCY APPROPRIATION ACT, FISCAL YEAR 1936

AN ACT Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes, namely:

\* \* \* \* \*

## TITLE IV—JUDGMENTS AND AUTHORIZED CLAIMS

\* \* \* \* \*

SEC. 7. (a) Notwithstanding any other provision of law, none of the establishments or agencies named in subsection (b) of this section shall, after June 30, 1937, incur any obligations for administrative expenses, except pursuant to an annual appropriation specifically therefor, nor shall any such establishment or agency continue to function after said date unless established by or pursuant to law: *Provided*, That nothing contained in this section shall be construed to extend the period during which any such establishment or agency heretofore has been authorized by law to function.

- (b) 1. Federal Home Loan Bank Board;  
 2. Home Owners' Loan Corporation;  
 3. Federal Housing Administration;  
 [4. Federal Farm Mortgage Corporation;]  
 [5] 4. Federal Surplus Commodities Corporation;  
 [6] 5. Export-Import Bank of Washington;  
 [7] 6. Second Export-Import Bank of Washington, District of Columbia;  
 [8] 7. Reconstruction Finance Corporation;  
 [9] 8. Electric Home and Farm Authority;  
 [10] 9. Commodity Credit Corporation;  
 [11] 10. Federal Emergency Administration of Public Works;

- [12] 11. Federal Savings and Loan Insurance Corporation;  
 [13] 12. Reconstruction Finance Mortgage Corporation.

\* \* \* \* \*

## GOVERNMENT CORPORATION CONTROL ACT

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Government Corporation Control Act".*

\* \* \* \* \*

### TITLE I—WHOLLY OWNED GOVERNMENT CORPORATIONS

\* \* \* \* \*

SEC. 101. As used in this Act the term "wholly owned Government corporation" means the Commodity Credit Corporation; Regional Agricultural Credit Corporation; Farmers Home Corporation; Federal Crop Insurance Corporation; [Federal Farm Mortgage Corporation;] Federal Surplus Commodities Corporation; Reconstruction Finance Corporation; Defense Plant Corporation; Defense Supplies Corporation; Metals Reserve Company; Rubber Reserve Company; War Damage Corporation; Federal National Mortgage Association; the RFC Mortgage Company; Disaster Loan Corporation; Inland Waterways Corporation; Warrior River Terminal Company; Virgin Islands Corporation; Federal Prison Industries, Incorporated; United States Spruce Production Corporation; Development Loan Fund; Institute of Inter-American Affairs; Institute of Inter-American Transportation; Inter-American Educational Foundation, Incorporated; Inter-American Navigation Corporation; Prencinradio, Incorporated; Cargoes, Incorporated; Export-Import Bank of Washington; Petroleum Reserves Corporation; Rubber Development Corporation; U.S. Commercial Company; Smaller War Plants Corporation; Federal Public Housing Authority (or Public Housing Administration) and including public housing projects financed from appropriated funds and operations thereof; Defense Homes Corporation; Federal Savings and Loan Insurance Corporation; Home Owners' Loan Corporation; United States Housing Corporation; Federal Housing Administration; Saint Lawrence Seaway Development Corporation; Panama Canal Company; Tennessee Valley Authority; and Tennessee Valley Associated Cooperatives, Incorporated.

\* \* \* \* \*

## DEPARTMENT OF AGRICULTURE ORGANIC ACT OF 1944

[SEC. 603. All expenditures which under the accounting system prescribed for the Federal Farm Mortgage Corporation by the General Accounting Office are to be treated as capital investments, increasing the book value of acquired fixed property (real estate and chattel), shall be considered as nonadministrative expenses for the purposes of section 7 of the Act of June 22, 1936.]

TITLE 18 OF THE UNITED STATES CODE

CHAPTER 23.—CONTRACTS

\* \* \* \* \*

§ 433. Sections 431 and 432 of this title shall not extend to any contract or agreement made or entered into, or accepted by any incorporated company for the general benefit of such corporation; nor to the purchase or sale of bills of exchange or other property where the same are ready for delivery and payment therefor is made at the time of making or entering into the contract or agreement. Nor shall the provisions of such sections apply to advances, loans, discounts, purchase or repurchase agreements, extensions, or renewals thereof, or acceptances, releases or substitutions of security therefor or other contracts or agreements made or entered into under the Reconstruction Finance Corporation Act, the Agricultural Adjustment Act, the Federal Farm Loan Act, the Emergency Farm Mortgage Act of 1933, [the Federal Farm Mortgage Corporation Act,] the Farm Credit Act of 1933, or the Home Owners Loan Act of 1933, the Farmers' Home Administration Act of 1946, the Bankhead-Jones Farm Tenant Act, or to crop insurance agreements or contracts or agreements of a kind which the Secretary of Agriculture may enter into with farmers.

Any exemption permitted by this section shall be made a matter of public record.

\* \* \* \* \*

CHAPTER 25.—COUNTERFEITING AND FORGERY

\* \* \* \* \*

§ 493. Whoever falsely makes, forges, counterfeits or alters any note, bond, debenture, coupon, obligation, instrument, or writing in imitation or purporting to be in imitation of, a note, bond, debenture, coupon, obligation, instrument or writing, issued by the Reconstruction Finance Corporation, Federal Deposit Insurance Corporation, Home Owners' Loan Corporation, Farm Credit Administration, Federal Housing Administration, [Federal Farm Mortgage Corporation] or any land bank, intermediate credit bank, bank for cooperatives or any lending, mortgage, insurance, credit or savings and loan corporation or association authorized or acting under the laws of the United States, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

Whoever passes, utters, or publishes, or attempts to pass, utter or publish any note, bond, debenture, coupon, obligation, instrument or document knowing the same to have been falsely made, forged, counterfeited or altered, contrary to the provisions of this section, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

\* \* \* \* \*



## CHAPTER 31.—EMBEZZLEMENT AND THEFT

\* \* \* \* \*

§ 657. Whoever, being an officer, agent or employee of or connected in any capacity with the Reconstruction Finance Corporation, Federal Deposit Insurance Corporation, Home Owners' Loan Corporation, Farm Credit Administration, Federal Housing Administration, [Federal Farm Mortgage Corporation,] Federal Crop Insurance Corporation, Farmers' Home Corporation, the Secretary of Agriculture acting through the Farmers' Home Administration, or any land bank, intermediate credit bank, bank for cooperatives or any lending, mortgage, insurance, credit or savings and loan corporation or association authorized or acting under the laws of the United States or any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, or any small business investment company, and whoever, being a receiver of any such institution, or agent or employee of the receiver, embezzles, abstracts, purloins or willfully misapplies any moneys, funds, credits, securities or other things of value belonging to such institution, or pledged or otherwise intrusted to its care, shall be fined not more than \$5,000 or imprisoned not more than five years, or both; but if the amount or value embezzled, abstracted, purloined or misapplied does not exceed \$100, he shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

§ 658. Whoever, with intent to defraud, knowingly conceals, removes, disposes of, or converts, to his own use or to that of another, any property mortgaged or pledged to, or held by, the Farm Credit Administration, any Federal intermediate credit bank, or the [Federal Farm Mortgage Corporation,] Federal Crop Insurance Corporation, Farmers' Home Corporation, the Secretary of Agriculture acting through the Farmers' Home Administration, any production credit association organized under sections 1131-1134m of Title 12, any regional agricultural credit corporation, or any bank for cooperatives, shall be fined not more than \$5,000 or imprisoned not more than five years, or both; but if the value of such property does not exceed \$100, he shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

\* \* \* \* \*

## CHAPTER 47.—FRAUD AND FALSE STATEMENTS

\* \* \* \* \*

§ 1006. Whoever, being an officer, agent or employee of or connected in any capacity with the Reconstruction Finance Corporation, Federal Deposit Insurance Corporation, Home Owners' Loan Corporation, Farm Credit Administration, Federal Housing Administration, [Federal Farm Mortgage Corporation,] Federal Crop Insurance Corporation, Farmers' Home Corporation, the Secretary of Agriculture acting through the Farmers' Home Administration, or any land bank, intermediate credit bank, bank for cooperatives or any lending,

mortgage, insurance, credit or savings and loan corporation or association authorized or acting under the laws of the United States, or any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, or any small business investment company, with intent to defraud any such institution or any other company, body politic or corporate, or any individual, or to deceive any officer, auditor, examiner or agent of any such institution or of department or agency of the United States, makes any false entry in any book, report or statement of or to any such institution, or without being duly authorized, draws any order or bill of exchange, makes any acceptance, or issues, puts forth or assigns any note, debenture, bond or other obligation, or draft, bill of exchange, mortgage, judgment, or decree, or, with intent to defraud the United States or any agency thereof, or any corporation, institution, or association referred to in this section, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission, contract, or any other act of any such corporation, institution, or association, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

\* \* \* \* \*

§ 1014. Whoever knowingly makes any false statement or report, or willfully overvalues any land, property or security, for the purpose of influencing in any way the action of the Reconstruction Finance Corporation, Farm Credit Administration, Federal Crop Insurance Corporation, Farmers' Home Corporation, the Secretary of Agriculture acting through the Farmers' Home Administration, any Federal intermediate credit bank, [or the Federal Farm Mortgage Corporation,] or any division officer, or employee thereof, or of any corporation organized under sections 1131-1134m of Title 12, or of any regional agricultural credit corporation established pursuant to law, or of the National Agricultural Credit Corporation, a Federal Home Loan Bank, the Federal Home Loan Bank Board, the Home Owners' Loan Corporation, a Federal Savings and Loan Association, a Federal land bank, a joint stock land bank, a Federal land bank association, or of a Federal Reserve bank, or of a small business investment company, upon any application, advance, discount, purchase, purchase agreement, repurchase agreement, commitment, or loan, or any change or extension of any of the same, by renewal, deferment of action or otherwise, or the acceptance, release, or substitution of security therefor, shall be fined not more than \$5,000 or imprisoned not more than two years, or both.

\* \* \* \* \*

Mr. POAGE. Governor Tootell, we will be glad to hear from you now.

**STATEMENT OF R. B. TOOTELL, GOVERNOR, FARM CREDIT ADMINISTRATION; ACCOMPANIED BY DON H. BUSHNELL, DIRECTOR, LAND BANK SERVICE; AND PAUL O. RITTER, GENERAL COUNSEL**

Mr. TOOTELL. Mr. Chairman and members of the committee, I am glad to appear and give you our views on S. 1040, a bill to abolish the Federal Farm Mortgage Corporation and for other purposes. The Farm Credit Administration favors enactment of this bill as it passed the Senate on June 12, 1961. On the bill as originally introduced we made a report to the Senate Committee on Agriculture and Forestry which is printed in Senate Report No. 358 (87th Cong., 1st sess.). We then made certain detailed suggestions which were accepted and included in the bill as it passed the Senate.

The Federal Farm Mortgage Corporation was established by Congress in 1934. Its major purpose, aside from assisting in financing the Federal land banks, was to finance and hold the loans made to farmers by the Land Bank Commissioner. These loans were made in the name of the Land Bank Commissioner on behalf of the Federal Farm Mortgage Corporation. Since July 1, 1947, when the authority to make such loans to farmers was permitted to expire, the Corporation has been in liquidation. An important step in the liquidation occurred when all assets then held by the Corporation in each farm credit district as a result of the Land Bank Commissioner loans, except cash, accounts receivable, and reserved mineral interests, were sold to the Federal land bank of the district as of June 30, 1955.

The liquidation was further expedited when all the remaining mineral interests of the Corporation (except one) which were reserved when acquired farms were sold and which were not sold to the surface owners or others, were transferred to the United States of America, to be administered by the Secretary of the Interior under the mineral laws of the United States. These mineral transfers were made as of or since September 6, 1957. If the one mineral interest still held by the Corporation is not formally transferred before abolition of the corporation, the transfer for administration by the Interior Department will be accomplished by section 1(c) of the bill. There are two mineral interests (the one not yet transferred and one only recently transferred) as to which a division order is to be entered to determine the amount of past income therefrom payable to the Corporation. These amounts are estimated at around \$5,500 and \$26,000.

As of July 31, 1961, the only other assets of the Corporation consisted of cash on hand, \$58,107.10, which is on deposit with the Treasurer of the United States in symbol account 4973, and the promissory notes of seven of the Federal land banks, for \$1,525,408.87, given to the Corporation in payment for the loan and related assets of the Corporation which were purchased by such land banks. This cash and the notes, as well as the past mineral income to be collected, would be transferred to the Secretary of the Treasury by section 1(d) of the bill. Then, as provided in section 1(e), the cash so received by the Secretary of the Treasury and any moneys collected by him on the notes or for past mineral income are to be deposited in the general fund



of the Treasury as miscellaneous receipts. There is also a sum of \$205,358.85 on deposit with the Treasury Department in symbol accounts 17-681 and 19-676 for the payment of matured principal and interest on bonds of the Corporation which have not been presented for payment and it is assumed that this money would continue available for payment of the bonds as they are presented.

I shall not now try to review the accomplishments of the Federal Farm Mortgage Corporation and for that purpose will simply refer to our circular E-46 (January 1959) on the operations and achievements of the Federal Farm Mortgage Corporation. In any event, the Corporation has now served its purpose and we agree that its abolition as proposed in S. 1040 is indicated.

Mr. POAGE. Governor Tootell, under this bill, the assets would be transferred to the Federal Government?

Mr. TOOTELL. That is, they would be transferred to the Treasury for liquidation, and the sums received would be paid into the general funds of the Treasury.

Mr. POAGE. That is what I meant.

Mr. TOOTELL. Yes, sir.

Mr. POAGE. Was there some act passing these mineral rights to the Department of the Interior?

Mr. TOOTELL. In 1950 that act was passed. September 1957 the remaining mineral interests were transferred to the Department of the Interior for administration.

Mr. POAGE. Was there some effort made to sell these mineral rights?

Mr. TOOTELL. There was a period of years between the act and the effective date of the transfer, when we made very real efforts, through the respective Federal land banks to sell these mineral interests to the holders of the surface rights. And many of them, well, in areas where there was no mineral activity were offered at a very nominal price—many of them for a dollar, the holders of the surface rights were not even interested in buying them and paying the record title costs, et cetera.

Mr. JOHNSON of Wisconsin. These have all been transferred—who would have the mineral rights?

Mr. TOOTELL. They have been transferred—they were transferred as of September 1957.

Mr. JOHNSON of Wisconsin. It occurs to me that under this legislation there will be many people involved, will they be out of a job or will they just be transferred?

Mr. TOOTELL. The only people involved in liquidating the Federal Farm Mortgage Corporation, and the only people who have been involved for a number of years in it have been people who are otherwise employed by the Farm Credit Administration and the Federal land banks.

Mr. JOHNSON of Wisconsin. What will become of them—will they stay with the Federal land banks—is there work for them to do?

Mr. TOOTELL. They are doing this as an incidental thing—incidental to their regular work.

Mr. JOHNSON of Wisconsin. As a lawyer, I know that it costs money to liquidate. I just thought that maybe there was some saving from this to the Department, but that will have to be finally determined whether there will or will not be.

Mr. TOOTELL. Well, the only assets that are left of the Corporation is some cash, and there are some notes which were given by seven Federal land banks when they purchased in bulk the remaining assets of the Corporation in their districts in 1955. And just automatically on June 30 of each year the land banks make payments on those notes.

Mr. JOHNSON of Wisconsin. Then there is nothing else to liquidate?

Mr. TOOTELL. There are two mineral interests that have been in litigation. The decision has been had with regard to them. And the work with regard to them, Mr. Ritter, is really over, is that right?

Mr. RITTER. There will be no more to do on those two items, except to receive the checks from the oil company which is paying the royalties.

Mr. JOHNSON of Wisconsin. I have no further questions. Thank you.

Mr. POAGE. Are there any further questions? If not, we are very much obliged to you gentlemen.

Mr. TOOTELL. Thank you.

Mr. POAGE. At this point the committee will proceed to the watershed projects.

(Whereupon, at 10:20 a.m. the committee proceeded into the subject of watershed projects.)



---

---

H.R. 8842  
AMEND SUBSECTION (h) OF SECTION 124  
OF THE AGRICULTURAL ENABLING  
AMENDMENTS ACT OF 1961

AUGUST 31, 1961



LEGISLATIVE HISTORY

Public Law 87-353  
S. 1040

TABLE OF CONTENTS

Index and summary of S. 1040 . . . . .	1
Digest of Public Law 87-353 . . . . .	2





## INDEX AND SUMMARY OF S. 1040

Feb. 22, 1961	Sen. Williams of Delaware introduced and discussed S. 1040 which was referred to the Agriculture and Forestry Committee. Print of bill as introduced and remarks of author.
Jun. 7, 1961	Senate committee voted to report (but did not actually report) S. 1040.
Jun. 8, 1961	Senate committee reported S. 1040 with an amendment. S. Report No. 358. Print of bill and report.
Jun. 12, 1961	Senate passed S. 1040 as reported.
Jun. 13, 1961	S. 1040 was referred to House Agriculture Committee. Print of bill as referred.
Aug. 25, 1961	House subcommittee voted to report S. 1040 to the full committee.
Aug. 30, 1961	House committee voted to report (but did not actually report) S. 1040 with amendments.
Sept. 5, 1961	House committee reported S. 1040 with amendments. H. Report No. 1110. Print of bill and report.
Sept. 18, 1961	House passed S. 1040 as reported.
Sept. 22, 1961	Senate concurred in the House amendments to S. 1040.
Oct. 4, 1961	Approved: Public Law 87-353.





DIGEST OF PUBLIC LAW 87-353

ABOLISHMENT OF FEDERAL FARM MORTGAGE CORPORATION. Terminates the powers, duties, functions, and authority of the Federal Farm Mortgage Corporation. Transfers all cash, accounts receivable, and other assets owned by the Corporation and all authority relating to the collection of notes receivable from the Federal land banks to the Secretary of the Treasury.









15. DEPRESSED AREAS. Extension of remarks of Rep. Michel inserting an article, "Fifty Federal Programs Aid Depressed Areas -- Billions Go For Benefits Ranging From Roads And Contracts To Food Supplies." pp. A1169-70

### BILLS INTRODUCED

16. RESEARCH; PLANTS. H. R. 4662, by Rep. Cooley, and S. 1023, by Sen. Ellender (by request), to amend the transitional provisions of the act, approved August 7, 1959, entitled "Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959"; to H. Agriculture and S. Agriculture and Forestry Committees.
17. LANDS. H. R. 4682, by Rep. Kyl, to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa to the State of Iowa; to Agriculture Committee.  
S. 1049, by Sen. Hruska (for himself and others), to amend the Federal Property and Administrative Services Act of 1949 to require the disposal of certain surplus land for use in the production of crops through the operation of family-type farms; to Government Operations Committee. Remarks of Sen. Hruska. pp. 2360-3
18. SCHOOL LUNCH. H. R. 4688, by Rep. Nygaard, and H. R. 4764, by Rep. Short, to amend the National School Lunch Act to provide for a more equitable distribution of the funds available under such act; to Education and Labor Committee.
19. SURPLUS PROPERTY. H. R. 4723, by Rep. Barry, to amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the donation of surplus property to volunteer lifesaving corps; to Government Operations Committee.  
H. R. 4724, by Rep. Barry, to provide that surplus personal property of the United States may be donated to the States for the promotion of fish and wildlife management activities; to Government Operations Committee.
20. RECREATION. H. R. 4673, by Rep. Giaimo, and H. R. 4735, by Rep. Dingel, to save and preserve, for the public use and benefit, certain portions of shoreline areas of the United States; to Interior and Insular Affairs Committee.
21. WATER RESEARCH. H. R. 4721, by Rep. Aspinall, H. R. 4757, by Rep. Rogers, Tex., and H. R. 4759, by Rep. Saylor, to amend the act of July 3, 1952, and thus to expand and extend the saline water conversion program being conducted by the Secretary of the Interior; to Interior and Insular Affairs Committee.
22. FARM PROGRAM H. R. 4739, by Rep. Hagen, Calif., and H. R. 4747, by Rep. McSween, to establish a cropland adjustment program; to Agriculture Committee.  
H. R. 4746, by Rep. Langen, to amend the Agricultural Act of 1949 to provide full parity price supports with respect to wheat, corn, barley, oats, rye, soybeans, flax, and grain sorghums, and reduce production and surpluses of such crops by voluntary participation; to Agriculture Committee.
23. VIRGIN ISLANDS. H. R. 4745, by Rep. Kyl, H. R. 4750, by Rep. O'Brien, N. Y., H. R. 4760, by Rep. Saylor, and H. R. 4767, by Rep. Aspinall, to amend section 6(a) of the Virgin Islands Corporation Act; to Interior and Insular Affairs Committee.
24. PESTICIDES. H. R. 4668, by Rep. Dingell, to provide for advance consultation with the Fish and Wildlife Service and with State wildlife agencies before



the beginning of any Federal program involving the use of pesticides or other chemicals designed for mass biological controls; to Merchant Marine and Fisheries Committee.

25. LABOR STANDARDS. H. R. 4678, by Rep. Kelly, to amend the Fair Labor Standards Act of 1938 to increase from \$1 to \$1.25 the minimum hourly wage prescribed by section 6(a)(1) of that act; to Education and Labor Committee.
26. MEAT INSPECTION. H. R. 4692, by Rep. Teague, Calif., to permit the Department of Agriculture to cooperate with the meat inspection services of the various States; to Agriculture Committee.
27. WILDLIFE. H. R. 4702, by Rep. Dingell, to amend the act creating the Federal aid to wildlife restoration fund; to Merchant Marine and Fisheries Committee.
28. ECONOMICS. S. 1026, by Sen. Wiley, to establish a National Economic Council for Security and Progress to provide planning and to coordinate programs to meet the Communist challenge in the economic sphere; to Government Operations Committee. Remarks of author. pp. 2352-3
29. PUBLIC LAW 480. S. 1027, by Sen. Ellender (by request), to amend title I of the Agricultural Trade Development and Assistance Act of 1954; to Agriculture and Forestry Committee.
30. ELECTRIFICATION. S. 1030, by Sen. Mansfield (for himself and Sen. Metcalf), to provide for the relocation of the Fort Peck-Great Falls transmission line in the vicinity of the city of Glasgow, Mont.; to Interior and Insular Affairs Committee.
31. PERSONNEL. S. 1035, by Sen. Holland, to amend the Civil Service Retirement Act, as amended, to prescribe conditions under which certain periods of employment shall be considered creditable service; to Post Office and Civil Service Committee.
32. MARKETING. S. 1037, by Sen. Holland, to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities; to Agriculture and Forestry Committee.
33. FARM MORTGAGE. S. 1040, by Sen. Williams, Del., to abolish the Federal Farm Mortgage Corporation; to Banking and Currency Committee. Remarks of author. p. 2357
34. RECLAMATION. S. 1048, by Sen. Hruska (for himself and others), to amend section 9(d)(1) of the Reclamation Project Act of 1939 (53 Stat. 1187; 43 U.S.C. 485); to Interior and Insular Affairs Committee. Remarks of Sen. Hruska. p. 2360
35. PUBLIC LAW 480. H. R. 4728, by Rep. Cooley, to amend title I of the Agricultural Trade Development and Assistance Act of 1954; to Agriculture Committee.
36. HOLIDAY. H. R. 4734, by <sup>Rep.</sup> Derwinski, making the birthday of Abraham Lincoln a legal holiday; to Judiciary Committee.

COMMITTEE HEARING ANNOUNCEMENT:

Feb. 23: Feed grains program, S. Agriculture and Forestry (Secretary Freeman to testify).



meet possible criticism that the new statute might otherwise be used to extend the scope or duration of a patent or copyright monopoly. It was not considered feasible or proper to exclude trademark infringement, because many forms of unfair commercial activities affect trademark rights, and also because the objection about extending duration does not apply to trademarks since they may continue in perpetuity.

The right of action against unlawful commercial activities is created by section 1 of the bill. The action is for an injunction; no damages may be recovered. There are several reasons for this. Plaintiffs in most cases of this nature are interested primarily in bringing about the cessation of the unlawful acts rather than collecting damages, which may be difficult to prove even in the best of circumstances. The elimination of any provision for damages should prevent the use of the new cause of action as the basis for strike suits. At the same time, it was felt that a party with a genuine claim should not be deterred from bringing an action because of its expense; accordingly, the bill provides that a judgment for costs, reasonable attorneys' fees and disbursements may be granted to a successful plaintiff in addition to injunctive relief.

Any person "damaged or likely to be damaged" by unfair commercial activities is entitled to sue under section 1. The phrase "likely to be damaged" is borrowed from section 43(a) of the Lanham Act (similar language will be found in secs. 13 and 14, dealing with opposition and cancellation) while the troublesome concept "believes that he is" has not been carried over from the Lanham Act. The words "damaged or" were inserted to avoid any possible argument that the statute applied only where no damage had yet occurred. On the other hand, section 3 makes it clear that actual damage is not required as a prerequisite to suit.

The right of action under section 1 is available against unfair commercial activities in or affecting commerce and the term "commerce" is defined in section 9 as "all commerce which may lawfully be regulated by Congress." This makes it clear that the broadest possible scope is intended; specifically, intrastate acts that affect interstate commerce are covered. In addition, section 9 contains a statement of the intent of the statute, which includes the protection of "any person engaged in interstate commerce" against unfair commercial activities "whether used or committed locally or in interstate commerce."

Innocent publishers and broadcasters are protected by section 5, which not only makes the absence of knowledge or intent a defense in an action against a publisher or broadcaster, but provides specifically that the burden of proving knowledge or intent is on the plaintiff. Furthermore, in order to avoid unnecessarily severe economic consequences to media of communication, section 6 provides that relief under the statute shall not be available when the injunction would delay the dissemination of a particular issue of a periodical, broadcast of a radio or television program, or showing of a motion picture after the scheduled time, when the delay would be due to the method by which dissemination is customarily conducted in accordance with sound business practice, as distinguished from a device to evade the statute. A single false advertisement in a magazine, for example, would not hold up distribution of the entire issue even if the publisher did have knowledge; but the use of the same or similar advertisements in future issues could be enjoined.

H.R. 7833 has been referred to the Committee on Interstate and Foreign Commerce. The active support of all interested parties is urgently required.

## ABOLITION OF FEDERAL FARM MORTGAGE CORPORATION

Mr. WILLIAMS of Delaware. Mr. President, I introduce, for appropriate reference, a bill, the purpose of which is to abolish the Federal Farm Mortgage Corporation. Last year I made an unsuccessful attempt to abolish this agency which everyone admitted had outlived its useful purpose.

Today I am making another attempt to abolish this depression-born agency whose services have not been used during the past 15 years. This agency, however, while presently dormant, still retains all of its previously conferred powers, including the power to borrow up to \$2 billion and to pledge the credit of the U.S. Government for payment.

The Federal Farm Mortgage Corporation was established by an act of Congress on January 31, 1934, primarily for the purpose of enabling the Land Bank Commissioner to make mortgage loans on farm properties on which the then existing lending authority of the Federal land banks had been restricted.

The Government held all the capital stock in this Corporation. It was authorized, subject to the approval of the Secretary of the Treasury, to issue and have outstanding at any one time \$2 billion in federally guaranteed bonds, and it could make collateral loans to the Federal land banks as well as purchase the bonds of those banks.

This Corporation did serve a necessary function during the depression years, but with the outbreak of World War II and the accompanying appreciation in Federal income and property values, the services of this agency were no longer necessary, and since the end of World War II it has not functioned as a lending agency.

In fact, the authority of the Commissioner to make mortgage loans expired on July 1, 1947, except for refinancing existing loans and no extension has been asked.

On June 30, 1955, all remaining outstanding loans and certain other assets of the Corporation were sold by the Corporation to the Federal land banks.

On September 7, 1957, all their mineral reservations remaining unsold were transferred to the Secretary of the Interior in accordance with provisions of legislation enacted in September 1950. In September 1957 the Government's investment in the capital stock of the Corporation was fully retired.

The Corporation, however, was not abolished; it still retains its authority—subject to the approval of the Secretary of the Treasury—to issue and have outstanding at any one time \$2 billion in federally guaranteed bonds. They still have authority to make collateral loans to the Federal land banks and to purchase their bonds. This authority is not being used, but it is still there.

The Comptroller General in his annual audits of the Farm Credit Administration for the past several years, has strongly recommended that Congress take action to terminate the existence of the Corporation.

As of June 30, 1960, the only assets of the Corporation were certain notes receivable from Federal land banks in the amount of \$3,933,116. These notes represent the balance due from the sale of the loans and other assets of the Corporation to these banks, and they are payable by the representative banks in annual installments.

Collecting these annual payments on notes from the Federal land banks and then transferring the proceeds to the Federal Treasury are the only duties left for this Corporation to perform. These payments could just as easily be made direct to the Treasury.

I repeat, the Federal Farm Mortgage Corporation during the depression served a useful function. It was started at a time when the Federal land banks were not in a strong financial position, and its purpose was to support these banks by providing additional capital for loans to the farmers during the depression of the 1930's. The Federal land banks are now, however, all in a strong financial position, and everyone agrees that there is no need for any funds, or any support, from this Corporation.

Although this agency has not made any loans since the depression years, and even though the authority of the Commissioner to make mortgage loans expired on July 1, 1947, except for refinancing existing loans, we find that since 1950 over \$4 million has been appropriated to cover their administration expenses.

Direct appropriations were suspended in 1955, during which year all loans and other assets of the Corporation were sold to the Federal land banks; however, during each of the ensuing years authority has been extended in the annual appropriation bills for the Corporation to make such expenditures from collected funds as were necessary to continue the liquidation of its assets. These expenditures, however, have been systematically reduced, and last year they were reduced to about \$5,000.

But why any expenditure? Why keep a useless agency alive when it is not needed? No agency of the Government having the power to borrow and pledge the credit of the U.S. Government in the amount of \$2 billion should be allowed to lie around waiting until some bureaucrat with a fanciful imagination decides to revive it.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1040) to abolish the Federal Farm Mortgage Corporation, and for other purposes, introduced by Mr. WILLIAMS of Delaware, was received, read twice by its title, and referred to the Committee on Banking and Currency.

## FIVE-YEAR PROGRAM TO COMBAT JUVENILE DELINQUENCY

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a bill to establish a 5-year crash program to combat juvenile delinquency. The meas-



ure is cosponsored by the Senator from West Virginia [Mr. RANDOLPH].

The evidence mounts that youth crime is continuing to rise at an alarming rate. It is causing deep anxiety to authorities throughout the country. And unless an imaginative effort is made now to combat it, the crime picture will grow more bleak when these young offenders become hardened criminals.

My bill would:

First. Assist States in setting up and operating major juvenile delinquency control programs by making available Federal funds to the States on a matching basis.

Second. Provide grants or fellowships to municipalities, colleges and other private agencies for the much-needed training of social workers and other persons engaged in juvenile work.

Third. Encourage the research, development and demonstration of new techniques to deal with behavior problems by providing Federal grants to States, and other public and nonprofit institutions, on a matching basis.

Fourth. Expand the technical assistance program now provided by the Department of Health, Education, and Welfare.

Fifth. Establish a National Advisory Council on Juvenile Delinquency consisting of public officials, professional experts and community leaders.

The cost of this program for the first year would be \$7 million; and for the remaining 4 years, \$10 million each year.

I introduced a similar bill last year, major provisions of which were part of a bill reported by a Senate Subcommittee on Juvenile Delinquency, of which I was a member. The bill was approved by the Senate but died in the House Rules Committee. I am more hopeful of passage this year because of the recent action liberalizing the Rules Committee.

Youth crime is continuing to rise, according to many indications, including last week's report by New York City Police Commissioner Stephen P. Kennedy disclosing that crimes in that city by youths under 16 years of age increased by 6.7 percent in 1960; and crimes by those 16 to 20 rose by 8.9 percent. Other crime statistics available for 1960 in both rural, suburban and metropolitan areas, show that the New York City situation reflects a nationwide trend. New Jersey juvenile crime cases jumped 14 percent over 1959. In California, youth crime increased by 13 percent. I also invite attention to testimony by prison authorities that at least 60 percent of adult criminals in the United States have records of juvenile delinquency.

I wish to emphasize that Government action by itself cannot solve the growing juvenile delinquency problem. We need to strengthen the sense of social responsibility of all our people. Neither church, school, parent, policeman, nor psychiatrist, judge, jailer and government can provide the whole answer. But all of them together, and many others, can help us toward a solution.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1041) to strengthen and improve State and local programs to combat and control juvenile delinquency, introduced by Mr. JAVITS (for himself and Mr. RANDOLPH), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

#### PROPOSED AMENDMENTS OF INTERSTATE COMMERCE ACT

Mr. ENGLE. Mr. President, on behalf of the Senator from Washington [Mr. MAGNUSON], chairman of the Committee on Interstate and Foreign Commerce, by request of the Interstate Commerce Commission, I introduce, for appropriate reference, two bills proposing to amend the Interstate Commerce Act. I ask unanimous consent to have printed in the RECORD the justifications accompanying the bills.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the justifications will be printed in the RECORD.

The bills, introduced by Mr. ENGLE (for Mr. MAGNUSON), by request, were received, read twice by their titles, and referred to the Committee on Interstate and Foreign Commerce, as follows:

S. 1042. A bill to amend section 212(a) of the Interstate Commerce Act, as amended, and for other purposes.

The justification accompanying Senate bill 1042 is as follows:

##### JUSTIFICATION FOR S. 1042

The purpose of the attached draft bill is to subject motor carrier operating authorities to suspension, change, or revocation for willful failure to comply with any rule or regulation lawfully prescribed by the Commission and to provide uniformity between parts II and IV of the Interstate Commerce Act with respect to revocation procedure. It is also designed to permit suspension of motor carrier operating rights, upon notice, for failure to comply with the Commission's insurance regulations.

As section 212(a) of the act now reads the Commission cannot suspend or revoke a certificate except for failure to comply with the provisions of part II "or with any \* \* \* regulation of the Commission promulgated thereunder \* \* \*." The Commission has found this language to be unduly restrictive upon its enforcement powers. For example, regulations prescribed under the Transportation of Explosives Act do not come within the category of regulations promulgated under any provision of part II of the Interstate Commerce Act. The Commission is, therefore, powerless to suspend or revoke the certificate of any carrier for violations of the Explosives Act, or any regulations prescribed thereunder, irrespective of how willful such violations may have been. However, by simply changing the words "of the Commission promulgated thereunder" to "promulgated by the Commission," as proposed in the attached draft bill, the Commission would be able to revoke or suspend certificates for willful or continued noncompliance with any of its lawful rules and regulations. Enactment of this recommended amendment would thus enable the Commission to cope more effectively, in the public interest, with serious violations of any of its applicable rules or regulations and not only those promulgated under part II of the Interstate Commerce Act.

Under the first proviso of section 410(f) of the act, a freight forwarder's permit may be revoked if the holder thereof fails to com-

ply with an order of the Commission commanding compliance with the provisions of part IV, a rule or regulation issued by the Commission thereunder, or the terms, conditions, or limitations of the permit. The failure of a motor carrier to obey such compliance order under the corresponding provisions in section 212(a), however, must be shown to have been willful before its certificate or permit may be revoked. In motor carrier revocation proceedings, then, two hearings are necessary, one to establish that a willful violation has occurred, after which a compliance order is entered, and a second to establish willful disobedience of the compliance order. Once disobedience of a compliance order is established, a further showing of willfulness should not be required. Proof of disobedience should be sufficient. This proposed change would not eliminate a second hearing, but would merely change the quantum of proof required.

The second proviso in section 212(a) provides for the suspension, upon notice, but without hearing, of motor carriers' and brokers' operating authorities for failure to comply with brokerage bond regulations and tariff publishing rules. It does not, however, provide for suspension on short notice for failure to maintain proof of cargo, public liability, and property-damage insurance under section 215. As previously indicated, section 410(f) is a counterpart of section 212(a) and contains a provision similar to the second proviso of section 212(a). The second proviso in section 410(f), however, provides for suspension on short notice of freight forwarder permits for failure to comply with the cargo insurance provisions under section 403(c) and the public-liability and property-damage insurance provisions under section 403(d).

From the standpoint of the traveling and shipping public there is more reason to require motor carriers to keep their cargo and public-liability and property-damage insurance in force than there is to require freight forwarders to keep their insurance alive. It is therefore desirable in the public interest that the Commission have the authority to suspend motor carrier rights, on short notice, when insurance lapses, or is canceled without replacement, until compliance is effected. The prospect of such action by the Commission should act as a deterrent to violations of this nature. An investigation under section 204(c) is not a satisfactory answer to the problem since such a proceeding may be somewhat lengthy and the public may be adversely affected should losses occur while it is pending.

The proposed change in section 204(c), which relates to investigations and the issuance of compliance orders, would bring that section into conformity with the suggested amendment to section 212(a) by similarly removing the restrictive nature of the present wording.

The amendments proposed in this draft bill would enable the Commission to administer the enforcement provisions of part II of the act more effectively.

S. 1043. A bill to amend section 222(b) of the Interstate Commerce Act with respect to the service of process in enforcement proceedings, and for other purposes.

The justification accompanying Senate bill 1043 is as follows:

##### JUSTIFICATION FOR S. 1043

The attached draft bill would provide the Interstate Commerce Commission with a more effective means of enforcing the motor carrier provisions of the Interstate Commerce Act.

Under section 222(b) of the act the Commission is authorized to institute proceedings to enjoin unlawful motor carrier or broker operations or practices in the U.S. district court of any district in which the



87TH CONGRESS  
1ST SESSION

# S. 1040

---

IN THE SENATE OF THE UNITED STATES

FEBRUARY 22, 1961

Mr. WILLIAMS of Delaware introduced the following bill; which was read twice  
and referred to the Committee on Agriculture and Forestry

---

## A BILL

To abolish the Federal Farm Mortgage Corporation, and for  
other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That (a) the Federal Farm Mortgage Corporation, estab-  
4       lished by the Act of January 31, 1934 (48 Stat. 344; 12  
5       U.S.C. 1020), is hereby abolished; and, except as provided  
6       in subsection (b), all of the powers, duties, functions, and  
7       authority of such Corporation are hereby terminated.

8       (b) There are hereby transferred to the Secretary of  
9       the Treasury (1) all cash, accounts receivable, and other  
10      assets owned by the Federal Farm Mortgage Corporation,

1 and (2) all authority of such corporation relating to the col-  
2 lection of notes receivable from the Federal land banks.

3 (c) Any cash received by the Secretary of the Treasury,  
4 and any moneys collected by him, by virtue of the transfer  
5 made under this section shall be deposited in the general fund  
6 of the Treasury as miscellaneous receipts.

7 SEC. 2. No suit, action, or other proceeding lawfully  
8 commenced by or against the Federal Farm Mortgage Cor-  
9 poration shall abate by reason of the enactment of this Act,  
10 but the court, on motion or supplemental petition filed at any  
11 time within twelve months after the date of such enactment,  
12 may allow the same to be maintained by or against the Sec-  
13 retary of the Treasury.

14 SEC. 3. (a) The Federal Farm Mortgage Corporation  
15 Act, as amended (12 U.S.C. 1020), except sections 10 and  
16 15 (a) thereof, is hereby repealed.

17 (b) Section 32 of the Emergency Farm Mortgage Act  
18 of 1933, as amended (12 U.S.C. 1016), is amended by—

19 (1) striking out the eleventh sentence;

20 (2) striking out the words “and the Federal Farm  
21 Mortgage Corporation” and “and/or the Federal Farm  
22 Mortgage Corporation” where they appear in the  
23 thirteenth and fourteenth sentences; and

24 (3) striking out the last sentence.

25 (c) The first sentence of the eighth paragraph of sec-



tion 13 of the Federal Reserve Act, as amended (12 U.S.C. 347), is amended by striking out “or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act,”.

(d) The first sentence of section 14 (b) of the Federal Reserve Act, as amended (12 U.S.C. 355), is amended by striking out “bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months,”.

(e) The fourteenth paragraph of section 7 of the Federal Farm Loan Act, as amended (12 U.S.C. 723 (c)), is amended by striking out the fourth sentence thereof.

(f) The thirteenth paragraph of section 12 of the Federal Farm Loan Act, as amended (12 U.S.C. 772), is amended to read as follows:

“Amounts transmitted to farm loan associations by Federal land banks to be loaned to its members shall, at the option of the bank, be in current funds or, at the option of the borrower, in farm loan bonds.”

(g) The eighth paragraph of section 13 of the Federal Farm Loan Act, as amended (12 U.S.C. 781), is amended to read as follows:

“Eighth. Buying and selling obligations of the United States.—To buy and sell United States Government obligations direct or fully guaranteed.”

1       (h) Section 13 of the Federal Farm Loan Act, as  
2 amended (12 U.S.C. 781), is amended by striking out the  
3 fifteenth, sixteenth, and twentieth paragraphs thereof.

4       (i) Section 22 of the Federal Farm Loan Act, as  
5 amended (12 U.S.C. 897), is amended by (1) striking  
6 out clause (e) under the heading "In the case of a Federal  
7 land bank", and (2) striking out clause (e) under the  
8 heading "In the case of a joint-stock land bank".

9       (j) Section 62 of the Farm Credit Act of 1933, as  
10 amended (12 U.S.C. 1138b), is amended by striking out  
11 "the Federal Farm Mortgage Corporation,".

12       (k) The Act of June 4, 1936, as amended (49 Stat.  
13 1461; 12 U.S.C. 773a), is amended by striking out "the  
14 Federal Farm Mortgage Corporation,".

15       (l) Section 7 (b) of the First Deficiency Appropria-  
16 tion Act, fiscal year 1936, approved June 22, 1936 (49  
17 Stat. 1648; 15 U.S.C. 712a (b)), is amended by striking  
18 out item 4 thereof and by redesignating items 5 to 13,  
19 inclusive, as 4 to 12, respectively.

20       (m) The Act of September 6, 1950 (64 Stat. 769;  
21 7 U.S.C. 1036), is amended by striking out section 4  
22 thereof.

23       (n) Section 7 (a) of the Farm Credit Act of 1953, as  
24 amended (12 U.S.C. 636f (a)), is amended by striking out  
25 the second and third sentences thereof.

1       (o) The second sentence of section 433 of title 18 of  
2 the United States Code is amended by striking out “the  
3 Federal Farm Mortgage Corporation Act,”.

4       (p) The first paragraph of section 493 of title 18 of  
5 the United States Code is amended by striking out “Federal  
6 Farm Mortgage Corporation”.

7       (q) Section 657 of title 18 of the United States Code  
8 is amended by striking out “Federal Farm Mortgage  
9 Corporation,”.

10       (r) Section 658 of title 18 of the United States Code  
11 is amended by striking out “Federal Farm Mortgage  
12 Corporation,”.

13       (s) Section 1006 of title 18 of the United States Code  
14 is amended by striking out “Federal Farm Mortgage Cor-  
15 poration,”.

16       (t) Section 1014 of title 18 of the United States Code is  
17 amended by striking out “or the Federal Farm Mortgage  
18 Corporation,”.

19       (u) Section 101 of the Government Corporation Con-  
20 trol Act, as amended (31 U.S.C. 846), is amended by strik-  
21 ing out “Federal Farm Mortgage Corporation;”.

22       (v) The Department of Agriculture Organic Act of  
23 1944, as amended (58 Stat. 741; 12 U.S.C. 1020a-1), is  
24 amended by striking out section 603 thereof.

---

---

**A BILL**

---

---

To abolish the Federal Farm Mortgage Corporation, and for other purposes.

---

---

By Mr. Williams of Delaware

---

---

FEBRUARY 22, 1961

Read twice and referred to the Committee on  
Agriculture and Forestry







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

## CONTENTS

Issued June 8, 1961  
For actions of June 7, 1961  
87th-1st, No. 95

Appropriations.....1,12,25  
Assistant Secretary.....18  
Centennials.....13  
Conservation.....8,25,29  
Education.....16  
Electrification.....26  
Expenditures.....23  
Experts and consultants..5  
Farm mortgage.....2  
Farm program.....4,22,34  
Foreign trade.....17  
Forest Service.....1  
Forestry.....2,9,24  
Homesteads.....28  
Housing.....7,21  
Irrigation.....20  
Lands.....27  
Libraries.....30

Minerals.....27  
National parks.....10  
Organization.....33  
Personnel.....5  
Procurement.....11  
Recreation.....24  
Research.....15,32  
Small business.....11  
Taxes.....19  
Timber sales.....9  
Tomatoes.....14  
Youth corps.....8,29  
Water pollution.....6  
Watersheds.....2  
Weights and measures....31  
Wheat.....32

HIGHLIGHTS: Senate passed Interior appropriation bill. House passed independent offices appropriation bill. Sen. Hruska criticized farm bill. House subcommittee voted to report bill for USDA centennial celebration. Senate debated housing bill. Both Houses received President's Youth Conservation Corps bill. Sen. Humphrey and Rep. Perkins introduced and discussed this bill. Sen. Talmadge commended and inserted Secretary's article, "Public Relations -- Our No. 1 Job."

## SENATE

1. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1962. Passed with amendments this bill, H. R. 6345. Conferees were appointed. pp. 9040-51

By a vote of 77 to 13, agreed to an amendment by Sen. Dirksen to reduce by \$10 million, from \$149,200,200 to \$139,200,200, the item for forest land management, forest protection and utilization, Forest Service. p. 9042

Agreed to an amendment by Sen. Proxmire to restore \$300,000 disapproved by the Senate Appropriations Committee for detailed design and cost estimates for constructing additional laboratory facilities at the Forest Products Laboratory at Madison, Wisc. p. 9048

2. THE AGRICULTURE AND FORESTRY COMMITTEE voted to report (but did not actually report) the following bills: p. D422

~~S. 302, to authorize the appropriation of an additional \$2 million for the purchase of land within the boundaries of the Superior National Forest, Minn.~~

~~S. 650, to amend the Watershed Protection and Flood Prevention Act so as to permit any irrigation or reservoir company, water users' association, or similar organization approved by the Secretary of Agriculture to sponsor works of improvement.~~

~~S. 848, to authorize the Secretary of Agriculture to convey a parcel of forest land to the town of Tellico Plains, Tenn.~~

(OVER)



S. 1040, to provide for the abolishment of the Federal Farm Mortgage Corporation.

3. WATERSHEDS. The Agriculture and Forestry Committee approved the following watershed projects: Crowabout Creek and Powell Creek, Ala.; Grady Could, Ark.; Hog-River-Pig-Creek, Ill.; Beasha Creek, Miss.; Panther Creek, Mo.; Haikay Creek, Okla.; Cane Creek, Tenn.; and Blue Creek, Utah. p. D422
4. FARM PROGRAM. The "Daily Digest" states that the Agriculture and Forestry Committee "announced that sometime next week it will proceed to consider S. 1643, proposed Agricultural Act of 1961." p. D422  
Sen. Hruska criticized the farm bill, particularly the procedure for establishing farmer advisory committees and stated that the "procedures provided in S. 1643 are not democratic. Nor is the democratic process called into play." pp. 9039-40
5. PERSONNEL. The Commerce Committee voted to report (but did not actually report) S. 884, to authorize the Secretary of Commerce to procure the services of experts and consultants. p. D422
6. WATER POLLUTION. The Public Works Committee reported with amendments S. 120, to amend the Federal Water Pollution Control Act so as to provide for a more effective program of water pollution control (S.Rept.353). p. 9013
7. HOUSING. Continued debate on S. 1922, the omnibus housing bill. pp. 9051-77
8. CONSERVATION; YOUTH CONSERVATION CORPS. Both Houses received from the President a proposed bill "to authorize pilot training and employment programs for youth including on-the-job and other appropriate training, local public service programs, and conservation programs," and including the establishment of a Youth Conservation Corps; to H. Education and Labor and S. Labor and Public Welfare Committees. pp. 9009, 9012
9. FORESTRY. Sen. Neuberger inserted a joint release by the Department of Agriculture and Department of the Interior regarding Federal timber sales policies stating that Secretaries Freeman and Udall "announced adoption of a study and recommendations made by the two Departments to bring timber sale practices by the two agencies into closer uniformity," and including a summary of 13 recommendations which were adopted. pp. 9036-7
10. NATIONAL PARKS. Sen. Neuberger inserted an article, "Preserving Our National Parks." pp. 9037-8
11. SMALL BUSINESS; PROCUREMENT. Sen. Smathers submitted for printing a report of the Select Committee on Small Business, "The Role of Small Business in Government Procurement - 1961" (S. Rept. 355). p. 9077

#### HOUSE

12. APPROPRIATIONS. Passed with an amendment H. R. 7445, the independent offices appropriation bill for 1962. See Digest 94 for a summary of items of interest to this Dept. pp. 8975-9000
13. CENTENNIALS. Subcommittee No. 2 of the Judiciary Committee voted to report to the full committee H. J. Res. 435, to provide for recognition of the centennial of the establishment of the Department of Agriculture, and H. J. Res. 436, to provide for recognition of the centennial of the establishment of the national system of land-grant universities and colleges. p. D425







# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

Issued June 9, 1961  
For actions of June 8, 1961  
87th-1st, No. 96

### CONTENTS

Adjournment.....	8,17,20		
Administrative agencies.....	12		
Appropriations.....	1		
ASC committees.....	28		
Disaster relief.....	21		
Economic growth.....	23		
Electrification.....	24		
Employment.....	22		
Farm mortgage.....	10		
Farm program.....	19		
Food.....	15		
Forest fires.....	14		
Forestry.....	10	Packers.....	25
Housing.....	9	Personnel.....	11
Irrigation.....	21	Peace Corps.....	13,29
Legislative program...7,16		Public lands.....	5
Livestock.....	25	Reclamation.....	18
Marketing.....	27	Retirement.....	28
		Sugar.....	26
		Tax rates.....	3
		Transportation.....	4
		Urban affairs.....	6
		Watersheds.....	10
		Wool.....	2

**HIGHLIGHTS:** Senate debated housing bill. House committee reported Commerce-General Government Matters appropriation bill. Sen. McCarthy introduced and discussed bill to require bonds for packers in livestock operations. Sen. Mundt introduced and discussed sugar bill.

### HOUSE

- 1. APPROPRIATIONS.** The Appropriations Committee reported H. R. 7577, the Commerce and general Government matters appropriation bill for 1962 (H. Rept. 497). p. 9131
- 2. WOOL.** The "Daily Digest" states, "The 'Digest' of June 6 erroneously stated that H. R. 3680, to extend the Wool Act of 1954, was reported to the full committee by the Subcommittee on Livestock and Feed Grains. Actually the provisions of this bill are to be substituted for section 132 of H. R. 6400, the general farm bill." p. D431
- 3. TAX RATES.** By a vote of 295 to 88, passed without amendment H. R. 7446, to provide a 1-year extension of the existing corporate normal-tax rates (pp. 9080-6, 9098-121). Rejected, 189 to 196, a motion by Rep. Alger to recommit the bill

with instructions to report it with amendments to eliminate the transportation tax on persons (pp. 9119-20).

4. TRANSPORTATION. The Merchant Marine and Fisheries Committee reported with amendment H. R. 6775, to amend the Shipping Act so as to provide for the operation of steamship conferences (H. Rept. 498). p. 9131.
5. PUBLIC LANDS. The Subcommittee on National Parks of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 7042, to add certain Federal land to the Lassen Volcanic National Park, Calif. p. D431
6. URBAN AFFAIRS. Rep. Patman inserted his testimony favoring an amendment to the bill concerning a Department of Urban Affairs, providing for a position of equal status for smaller towns and communities. pp. 9129-30
7. LEGISLATIVE PROGRAM. Rep. McCormack announced the program for next week, including the following: Mon., bill to provide for steamship conferences and general Government matters and Commerce appropriation bill for 1962. pp. 9121-2
8. ADJOURNED until Mon., June 12. pp. 9121, 9130

SENATE

9. HOUSING. Continued debate on S. 1922, the omnibus housing bill. pp. 9175-84, 9185-9239

Agreed to the following amendments:

By Sen. Case, S. Dak., 46 to 42, to strike out Title VI of the bill which have provided Federal assistance to State and local governments in preserving open-space land in and around urban areas. pp. 9211-19

By Sen. Fong "to grant to lessee farmers the benefit of provisions of the law on farm housing loans - that is, farmers who are farming lands that are being leased." pp. 9221-2

Rejected the following amendments:

By Sen. Humphrey, for himself and Sen. Scott, 43 to 51, which would have provided that municipalities with populations of 150,000 or less which are located in areas designated by the Secretary of Labor for redevelopment assistance or distressed areas would be eligible for the three-fourths urban renewal grant from the Federal Government. pp. 9198-9202

By Sen. Javits, 28 to 59, which would have permitted the VA to make direct housing loans to veterans in any area in which private capital is not generally available, rather than only to veterans in rural areas or small cities or towns as provided for in present law. pp. 9207-11

10. THE AGRICULTURE AND FORESTRY COMMITTEE reported the following bills: p. 9135  
~~S. 302, without amendment, to authorize the appropriation of an additional \$2 million for the purchase of land within the boundaries of the Superior National Forest, Minn. (S. Rept. 359).~~

~~S. 650, without amendment, to amend the Watershed Protection and Flood Prevention Act so as to permit any irrigation or reservoir company, water users' association, or similar organization approved by the Secretary of Agriculture to sponsor works of improvement (S. Rept. 357).~~

~~S. 848, without amendment, to authorize the Secretary of Agriculture to convey a parcel of forest land to the town of Tellico Plains, Tenn. (S. Rept. 356).~~



S. 1040, with amendment, to provide for the abolishment of the Federal Farm Mortgage Corporation (S. Rept. 358).

11. PERSONNEL; PAY. Received from the Joint Committee on Reduction of Nonessential Federal Expenditures a report on Federal employment and pay for April 1961. pp. 9135-8
12. ADMINISTRATIVE AGENCIES. Sen. Keating inserted correspondence he had received favoring enactment of legislation to permit members of the bar of the highest court of a State or Federal court to practice before administrative agencies of the U. S. pp. 9155-6
13. PEACE CORPS. Sen. Humphrey inserted an article, "Shriver Asks Business To Grant Leave to Corps Members," and said, "I am pleased to note that the response to Mr. Shriver's suggestion is being favorably received by both business and labor leaders." pp. 9159-60
14. FOREST FIRES. Sen. Kuchel inserted two articles, "A Fire Alarm on Capitol Hill," and "Western States Facing Forest Fire Threat: Southland Loss Expected To Be Heaviest; Officials Describe Season as Severe," and said, "There has been an exceedingly dry season in the West." p. 9164
15. FOOD. Sen. Humphrey said, "We should not predicate or base our food programs overseas on the temporary surpluses which may be in the possession of the Commodity Credit Corporation. We should base our food and fiber programs, as a means of aid assistance to other peoples, on the needs of those peoples and the capacity of our agricultural economy to produce." p. 9169
16. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the Consent Calendar will be called on Mon. pp. 9184-5
17. ADJOURNED until Mon., June 12. pp. 9242-3

#### ITEMS IN APPENDIX

18. RECLAMATION. Extension of remarks of Rep. Aspinall inserting the statement he presented to the House Appropriations Committee relating to the Federal reclamation program for fiscal year 1962. pp. A4154-5
19. FARM PROGRAM. Extension of remarks of Rep. Younger inserting a newsletter describing how a high-school senior developed a farm business valued at \$34,000 during his school days. pp. A4167-8
20. ADJOURNMENT. Extension of remarks of Rep. Ellsworth inserting an article, "The Long Days Ahead For The 87th Congress." pp. A4179-80
21. DISASTER RELIEF; IRRIGATION. Extension of remarks of Rep. Olsen inserting this Department's announcement of the designation of a disaster area caused by the severe drought in southern Idaho and also a statement by Rep. Harding regarding the need for the Burns Creek project in southeastern Idaho. pp. A4180-1
22. EMPLOYMENT. Extension of remarks of Rep. Ellsworth inserting an article, "Jobs For A Changing Economy," dealing with problems of unemployment and automation. pp. A4185-6

23. ECONOMIC GROWTH. Extension of remarks of Rep. Younger inserting an article, "Which Way To Sound Economic Growth?" pp. A4187-9
24. ELECTRIFICATION. Several Representatives inserted essays written on the value of rural electrification. pp. A4147-8, A4159, A4162-3, A4163-4, A4168-9, A4170-1, A4175-6

BILLS INTRODUCED

25. LIVESTOCK. S. 2044, by Sen. McCarthy, to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with the livestock purchasing operations; to Agriculture and Forestry Committee. Remarks of author. p. 9142
26. SUGAR. S. 2047, by Sen. Mundt (for himself and others), to amend and extend the provisions of the Sugar Act of 1948, as amended; to Finance Committee. Remarks of Sen. Mundt. p. 9142
27. MARKETING. H. R. 7563, by Rep. Langen, to amend the Agriculture Marketing Agreement Act of 1937; to Agriculture Committee. Remarks of author. p. 9126-7
28. ASC COMMITTEES. H. R. 7570, by Rep. McSweeney, to amend section 2(h) of the Civil Service Retirement Act with respect to employees of the agricultural stabilization and conservation county committees; to Post Office and Civil Service Committee.
29. PEACE CORPS. H. R. 7572, by Rep. Pucinski, to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower; to Foreign Affairs Committee.

-0-

COMMITTEE HEARINGS ANNOUNCEMENTS:

June 9: Foreign aid bill, S. Foreign Relations (exec).

Amendment of Farm Credit Act, H. Agriculture.

Various bills on public lands, S. Interior (exec).

June 12-13: Special feed grains program for 1962, H. Agriculture (Jaenke, CSS, to testify).

June 14-15: Wheat provisions of farm program bill, H. Agriculture (Jaenke, CSS, to testify).

oOo



# ABOLITION OF FEDERAL FARM MORTGAGE CORPORATION

JUNE 8, 1961.—Ordered to be printed

MR. HOLLAND, from the Committee on Agriculture and Forestry,  
submitted the following

## R E P O R T

[To accompany S. 1040]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1040) to abolish the Federal Farm Mortgage Corporation, and for other purposes, having considered the same, report thereon with a recommendation that it do pass with an amendment.

This bill would abolish the Federal Farm Mortgage Corporation which has been in liquidation since 1947. Its remaining assets would be transferred to the Secretary of the Treasury.

The committee amendment, which is in the nature of a substitute, incorporates in the bill a number of technical amendments recommended by the Farm Credit Administration, designed to (1) aid in perfecting the record title to lands in which the Corporation has a record interest, (2) repeal obsolete provisions providing for Land Bank Commissioner loans, (3) prevent repeal of section 5 of the Federal Farm Mortgage Corporation Act from being construed as reviving bond issuance authority which section 5 terminated, and (4) make drafting corrections, such as those necessary to designate the provisions amended or repealed correctly.

The bill and the changes made by the committee amendment are fully described in the attached report from the Farm Credit Administration.

Enactment of the bill would not result in any additional Federal expenditure.



## DEPARTMENTAL VIEWS

FARM CREDIT ADMINISTRATION,  
*Washington, D.C., March 29, 1961.*

HON. ALLEN J. ELLENDER,  
*Chairman, Committee on Agriculture and Forestry,  
U.S. Senate.*

DEAR MR. CHAIRMAN: This is in reply to your request of March 1, 1961, for a report on S. 1040, a bill to abolish the Federal Farm Mortgage Corporation, and for other purposes. The bill would abolish the Federal Farm Mortgage Corporation immediately (sec. 1(a)); transfer its remaining assets to the Secretary of the Treasury (sec. 1(b)); direct that the cash and moneys collected on such assets be deposited in the general fund of the Treasury as miscellaneous receipts (sec. 1(c)); permit suits commenced by or against the Corporation to be maintained by or against the Secretary of the Treasury (sec. 2); and repeal or amend certain laws which established or referred to the Corporation (sec. 3).

Our major suggestion is that the bill should include two sentences set out later in the report which are designed to aid in perfecting title of record in the true owners to any interest in or to real property which the county records may still show to be outstanding in the Corporation notwithstanding all interests of the Corporation in or to real property have been liquidated or transferred. One purpose is to confirm in the Federal land banks and the United States of America the title to the former interests of the Corporation in real property which were sold or transferred to them. Another purpose is to provide for reasonably convenient curative action to perfect record title for the benefit of others, after the Corporation is dissolved, in cases where some interest in real property appears of record to be outstanding in the Corporation because of error or failure to file a release, assignment, or deed.

From 1933, when the Land Bank Commissioner loans were first authorized, until 1947, when the authority to make such loans expired, some 680,000 Land Bank Commissioner loans in the total amount of \$1.2 billion were made to farmers on the security of their farm property. The terms of the loans varied from 10 to 30 or so years, and some have maturities extending into the 1970's. When the Federal Farm Mortgage Corporation was established in 1934, the outstanding Land Bank Commissioner loans were transferred to it and thereafter the loans were made in the name of the Land Bank Commissioner on behalf of the Federal Farm Mortgage Corporation, and the mortgages securing the loans so recited. The mortgages were recorded in the various county record offices in the States and were satisfied of record as the loans were repaid. If a borrower defaulted on his loan and it became necessary to foreclose the mortgage, the Corporation acquired title to the mortgaged farm which it later deeded to a purchaser, usually reserving a portion of the mineral interests when it did so. Such transactions also were recorded in the county record or court offices. All of such lending and related activities in their respective districts were handled by the Federal land banks as agents for the Land Bank Commissioner and the Federal Farm Mortgage Corporation. Our experience with the liquidation of the joint stock

land banks foretells that there will be instances in the future, related to the Federal Farm Mortgage Corporation transactions, in which it will be convenient and desirable if defects in the record title can be cured by a corrective release, assignment, or quitclaim, without resorting to the more cumbersome and expensive procedure of an action to quiet title.

Except for the mineral interests involved in two pending court actions, the Corporation does not own any interest in or to real estate anywhere in the country, notwithstanding a county record may still show some such interest to be outstanding in the Corporation. As of June 30, 1955, all assets then held by the Corporation in each farm credit district as a result of the Land Bank Commissioner loans, except cash, accounts receivable, and reserved mineral interests, were sold to the Federal land bank of the district. This was done under authority of paragraph Twentieth of section 13 of the Federal Farm Loan Act (12 U.S.C. 781 Twentieth), as added by the act of June 1, 1955 (69 Stat. 81). It is our understanding that assignments have been placed of record as to most of the mortgages securing loans purchased by the land banks. Other such mortgages, though, may continue to appear of record as held by the Corporation. In the latter cases, the intention of the land bank was to wait until the loans were paid off according to their terms and then satisfy the mortgages of record in the name of the Corporation, which the banks are presently authorized to do as agents for the Corporation. With the Corporation about to be dissolved, however, assignments of such mortgages from the Corporation to the bank will need to be placed of record before the dissolution unless the proposed legislation should make it unnecessary.

As of or since September 6, 1957, all the remaining mineral interests of the Corporation which were reserved when acquired farms were sold, and which were not sold to the surface owners or others, were transferred to the United States of America to be administered by the Secretary of the Interior under the mineral laws of the United States, except for the mineral interests involved in two pending court actions. The transfer of the mineral interests was in accord with the act of September 6, 1950 (64 Stat. 769, 7 U.S.C. 1036), and all such transfers were recorded.

To clarify the record as much as practicable with respect to such bulk sales and transfers, we suggest that the bill should confirm record title in the Federal land banks to the Land Bank Commissioner loans and related assets purchased by such banks, and confirm record title in the United States of America to the reserved mineral interests. With that done, the curative authority, after dissolution of the Corporation, would be limited to any interest in real estate, other than reserved mineral interests, which appears of record to be in the Corporation. Because the Federal land banks acted as the agent of the Land Bank Commissioner and the Federal Farm Mortgage Corporation in their many transactions, and because the Federal land banks purchased all interests of the Corporation in real estate in their respective districts, except the reserved mineral interests, it seems to us logical and most convenient to the members of the public who will be affected to give such curative authority to the Federal land banks.



The suggestions thus far made for the bill could be adopted by including therein specific provisions substantially as follows:

*As to property of record in the States (other than minerals)*

"All right, title, and interest in or to real property other than reserved mineral interests which may appear of public record in any farm credit district to be in the Land Bank Commissioner or the Federal Farm Mortgage Corporation are hereby confirmed to be in the Federal land bank of said district, and said bank is hereby authorized in its own name or in the name of the Federal Farm Mortgage Corporation to execute any assignment, release, satisfaction, or other instrument as may be necessary or appropriate in connection therewith to perfect title of record in the true owners."

*As to mineral interests*

"All right, title, and interest to any reserved mineral interests of the Federal Farm Mortgage Corporation which have not been disposed of otherwise by the Federal Farm Mortgage Corporation are hereby confirmed to be in the United States of America to be administered by the Secretary of the Interior under the mineral laws of the United States."

The latter provision would include the mineral interests of the Corporation involved in the two court actions. Any reservations of fissionable materials made by the Federal Farm Mortgage Corporation pursuant to Executive Order 9701 (March 4, 1946), if not otherwise disposed of by the Corporation earlier, would seem to have been released by section 68(b) of the Atomic Energy Act of 1954, as amended by section 3 of Public Law 85-681, approved August 19, 1958 (42 U.S.C. 2098(b)). Both of the sentences suggested above could be inserted in section 1 of S. 1040 as indicated in the proposed amendment enclosed herewith.

The present assets of the Federal Farm Mortgage Corporation, which are to be transferred to the Secretary of the Treasury under the bill, consist of cash on hand, \$194,557.40, and the promissory notes of the Federal land banks, for \$2,191,156.94, given to the Corporation in payment for the loan and related assets of the Corporation which were purchased by the land banks. These notes do not bear interest and are payable on June 30 of each year, the last of them being payable in 1965. The cash on hand and the collections on the notes are to be deposited in the general fund of the Treasury as miscellaneous receipts. Already deposited with the Treasury Department in symbol accounts 17-681 and 19-676 is \$216,119.70, as of February 28, 1961, for the payment of matured principal and interest on bonds of the Corporation which have not been presented for payment, and it is assumed that the money in such symbol accounts would continue available for payment of the bonds as they are presented.

Our further suggestions relate to section 3 of the bill.

*Section 3(a).*—The Federal Farm Mortgage Corporation Act consisted of 18 sections, some of which established and specified the powers of the Corporation, and other sections which amended or affected the application of other laws. The preferred approach is considered to be, therefore, to select the sections of the Federal Farm Mortgage Corporation Act to be repealed and then decide on any changes which should now be made in the other statutes amended or affected by the



remaining sections of the Federal Farm Mortgage Corporation Act. On that basis, we would have section 3(a) read as follows:

"SEC. 3. (a) Sections 1, 2, 3, 4, 5, 6, 12, 17, and 18 of the Federal Farm Mortgage Corporation Act, as amended (12 U.S.C. 1020, 1020a-1020h, 992a, 723(f)), are hereby repealed."

Insofar as appropriate and necessary, the provisions of other laws amended or affected by the sections of the Federal Farm Mortgage Corporation Act which are not repealed would then be dealt with later in section 3 of the bill. Also, since section 5 of the Federal Farm Mortgage Corporation Act, which curtailed the authority of the Federal land banks to issue bonds guaranteed by the Government as to interest, is being repealed, the authority to issue such bonds so guaranteed, which now is obsolete, should also be repealed. This could be done with an additional provision in section 3 of the bill as follows:

"(w) The last paragraph of section 32 of the Federal Farm Loan Act, as amended (12 U.S.C. 992, 993), is hereby repealed."

*Section 3(b).*—With the abolition of the Federal Farm Mortgage Corporation, the now obsolete provisions under which the Land Bank Commissioner loans were made from 1933 to 1947 should be repealed in their entirety with the exception of one sentence. The bill as now drawn would repeal only two sentences and strike out references to the Federal Farm Mortgage Corporation in two other sentences of such provisions. The more complete repeal could be accomplished by amending section 3(b) to read as follows:

"(b) Sections 32 (except the fourteenth sentence thereof), 33, 34, and 35 of the Emergency Farm Loan Act of 1933, as amended (12 U.S.C. 1016-1019, except 1016(h), second sentence), are hereby repealed, and the fourteenth sentence of such section 32 (12 U.S.C. 1016(h), second sentence) is hereby amended by deleting therefrom the words 'such' and 'or hereafter'."

As to instruments heretofore executed by a Federal land bank on behalf of the Land Bank Commissioner or the Federal Farm Mortgage Corporation, many of which are now of record, the 14th sentence, as amended, would continue the presumption that they were duly authorized.

*Section 3(f).*—It is suggested that the reference be to the "last" instead of the "thirteenth" paragraph of section 12 of the Federal Farm Loan Act. Also, "Federal land bank associations" should be substituted for "farm loan associations".

*Section 3(g).*—This subsection might preferably begin "Paragraph Eighth" instead of "The eighth paragraph". Also, while the codifiers presumably will insert a heading for the amended provision, "Buying and selling obligations of the United States.—", the heading should be deleted from the bill since the basic law does not have such headings.

*Section 3(h).*—We would substitute "paragraphs Fifteenth, Sixteenth, and Twentieth thereof" for "the fifteenth, sixteenth, and twentieth paragraphs thereof".

*Section 3(k).*—It is suggested that "and 'the Land Bank Commissioner,' " be inserted immediately before the period, as any lending by the Land Bank Commissioner, no longer authorized since 1947, was on behalf of the Federal Farm Mortgage Corporation.

The proposed amendment enclosed herewith would take in all of the suggestions made in this report as to S. 1040.

Subject to the foregoing suggestions, and as directed by the Federal Farm Credit Board, the Farm Credit Administration favors enactment of S. 1040. The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Very truly yours,

R. B. TOOTELL, *Governor*.

### PROPOSED AMENDMENT OF S. 1040

Page 1, line 6, change "(b)" to "(d)".

Page 1, between lines 7 and 8, insert the following:

(b) All right, title, and interest in or to real property other than reserved mineral interests which may appear of public record in any farm credit district to be in the Land Bank Commissioner or the Federal Farm Mortgage Corporation are hereby confirmed to be in the Federal land bank of said district, and said bank is hereby authorized in its own name or in the name of the Federal Farm Mortgage Corporation to execute any assignment, release, satisfaction, or other instrument as may be necessary or appropriate in connection therewith to perfect title of record in the true owners.

(c) All right, title, and interest to any reserved mineral interests of the Federal Farm Mortgage Corporation which have not been disposed of otherwise by the Federal Farm Mortgage Corporation are hereby confirmed to be in the United States of America to be administered by the Secretary of the Interior under the mineral laws of the United States.

Page 1, line 8, change "(b)" to "(d)".

Page 2, line 3, change "(e)" to "(e)".

Page 2, lines 14 through 16, substitute the following:

SEC. 3. (a) Sections 1, 2, 3, 4, 5, 6, 12, 17, and 18 of the Federal Farm Mortgage Corporation Act, as amended (12 U.S.C. 1020, 1020a-1020h, 992a, 723(f)), are hereby repealed.

Page 2, lines 17 through 24, substitute the following:

(b) Sections 32 (except the fourteenth sentence thereof), 33, 34, and 35 of the Emergency Farm Loan Act of 1933, as amended (12 U.S.C. 1016-1019, except 1016(h), second sentence), are hereby repealed, and the fourteenth sentence of such section 32 (12 U.S.C. 1016(h), second sentence) is hereby amended by deleting therefrom the words "such" and "or hereafter".<sup>1</sup>

Page 3, line 13, substitute "last" for "thirteenth".

Page 3, line 16, substitute "Federal land bank associations" for "farm loan associations".

Page 3, line 20, substitute "Paragraph Eighth" for "The eighth paragraph".

Page 3, lines 23 and 24, strike out "Buying and selling obligations of the United States.—"

<sup>1</sup> The Farm Credit Administration subsequently informally advised that it would be technically more correct to leave "or hereafter" in sec. 32 and the committee amendment does not strike these words.

Page 4, lines 2 and 3, substitute "paragraphs Fifteenth, Sixteenth, and Twentieth thereof" for "the fifteenth, sixteenth, and twentieth paragraphs thereof".

Page 4, line 15, immediately preceding the period insert "and 'the Land Bank Commissioner,' "

Page 5, following line 24, add a subsection as follows:

(w) The last paragraph of section 32 of the Federal Farm Loan Act, as amended (12 U.S.C. 992, 993), is hereby repealed.

DEPARTMENT OF AGRICULTURE,  
Washington, D.C., March 27, 1961.

HON. ALLEN J. ELLENDER,  
Chairman, Committee on Agriculture and Forestry,  
U.S. Senate.

DEAR SENATOR ELLENDER: This is in reply to your request of February 24, 1961, for a report on S. 1040, a bill to abolish the Federal Farm Mortgage Corporation, and for other purposes.

The bill would abolish the Federal Farm Mortgage Corporation and terminate the powers, duties, functions, and authority of the Corporation. All cash, accounts receivable, and other assets owned by the Federal Farm Mortgage Corporation and all authority of the Corporation relating to the collection of notes receivable from the Federal land banks would be transferred to the Secretary of the Treasury. Numerous technical changes would be made in related legislation.

The Department has no direct interest in the bill because the Federal Farm Mortgage Corporation is under the jurisdiction of the Farm Credit Administration. For this reason, the Department is not commenting on the technical aspects of S. 1040, but we do concur with the general objectives of the bill.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

#### CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

#### THE FEDERAL FARM LOAN ACT

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the short title of this Act shall be "The Federal Farm Loan Act."*

*	*	*	*	*	*	*
SEC. 7.	*	*	*	*	*	*
*	*	*	*	*	*	*



Each borrower who obtains a direct loan from a Federal land bank shall subscribe and pay for stock in such bank in the sum of \$5 for each \$100 or fraction thereof borrowed. Such stock shall be held by such Federal land bank as collateral security for the loan of the borrower and shall participate in all dividends. Upon full payment of the loan such stock shall, if still outstanding, be canceled at par, or, in the event that such stock shall have become impaired, at the estimated value thereof as approved by the Land Bank Commissioner, and the proceeds thereof shall be paid to the borrower. [Any borrower's interest in such stock may be transferred or hypothecated, by him or by operation of law, to the Federal Farm Mortgage Corporation.]

\* \* \* \* \*

SEC. 12. \* \* \*

\* \* \* \* \*

Amounts transmitted to Federal land bank associations by Federal land banks to be loaned to its members shall, at the option of the bank, be in current funds [or Federal Farm Mortgage Corporation bonds,] or, at the option of the borrower, in farm loan bonds.

\* \* \* \* \*

SEC. 13. \* \* \*

\* \* \* \* \*

Eighth. To buy and sell United States Government obligations direct or fully guaranteed; and to purchase and acquire from the Federal Farm Mortgage Corporation notes and mortgages representing loans made by the Land Bank Commissioner pursuant to section 32 of the Emergency Farm Mortgage Act of 1933, as amended (title 12, U.S.C. 1016), upon farm property situated in the farm credit district in which said bank is located, and purchase-money mortgages and contracts for the sale of farms held by the Federal Farm Mortgage Corporation in connection with the sale of farm property situated in such district: *Provided*, That no such note and mortgage, purchase-money mortgage, or contract shall be purchased pursuant hereto unless (1) the unpaid balance of the indebtedness represented or secured thereby, together with any indebtedness to the Federal land bank secured by a prior mortgage on the property, does not exceed 65 per centum of the normal value of the farm as determined upon appraisal made pursuant to the Federal Farm Loan Act; (2) the borrower acquires such stock in a Federal land bank association, in addition to any available stock which he may already own, as may be necessary to constitute an amount equal to one share of stock for each \$100 of the unpaid balance of the indebtedness represented or secured by the note and mortgage, purchase-money mortgage, or contract being purchased and acquired, together with the indebtedness secured by any prior lien on the property in favor of the Federal land bank; (3) the Federal land bank association in which such stock is held elects the borrower to membership, if not already a member, and agrees to be liable for the indebtedness secured by the note and mortgage, purchase-money mortgage, or contract being purchased and acquired; and (4) the land bank takes such action, if any, as may be necessary to reduce the rate of interest on the indebtedness secured by the mortgage, purchase-money mortgage, or contract acquired

or purchased to the same rate of interest the bank is charging on first-mortgage loans which it is then making】.

\* \* \* \* \*  
【Fifteenth. To exchange farm loan bonds for Federal Farm Mortgage Corporation bonds of equal face value.

【Sixteenth. To exchange Federal Farm Mortgage Corporation bonds for farm loan bonds of equal face value.】

\* \* \* \* \*  
【Twentieth. Without regard to any limitations or restrictions of this Act, to purchase all assets, except cash, accounts receivable, and reserved mineral interests, held by the Federal Farm Mortgage Corporation as a result of loans made on or before July 1, 1947, in the farm credit district in which said bank is situated and to assume the liabilities of said Corporation for future payment funds of borrowers and trust accounts applicable to said assets. The purchase price of notes and mortgages, purchase money mortgages, and real estate sales contracts shall be equal to the total of the unpaid balances on such items and accrued interest thereon at the date as of which purchase is made, less the total of the liabilities of the Corporation being assumed by the bank as herein provided. The purchase price of real estate, sheriffs' certificates, loans called for foreclosure, loans in suspense, judgments, and any other assets eligible for purchase under this paragraph but not specifically identified herein shall be equal to the fair market value of the assets as determined by agreement. The total consideration for the purchase shall be payable over a period of not more than ten years from the date as of which purchase is made, and upon such terms as shall be agreed upon through negotiation with the Board of Directors of the Corporation.】

\* \* \* \* \*  
SEC. 22. \* \* \*  
\* \* \* \* \*

Amortization and other payments on the principal of first mortgages held by a farm loan registrar as collateral security for the issue of farm loan bonds shall constitute a trust fund in the hands of the Federal land bank or joint stock land bank receiving the same, and shall be applied or employed as follows:

- In the case of a Federal land bank—
- (a) To pay off farm loan bonds issued by or in behalf of said bank as they mature.
  - (b) To purchase at or below par Federal farm loan bonds.
  - (c) To loan on first mortgages on farm lands within the farm credit district, qualified under this chapter as collateral security for an issue of farm loan bonds.
  - (d) To purchase United States Government bonds.
  - 【(e) To purchase Federal Farm Mortgage Corporation bonds.】
- In the case of a joint stock land bank—
- (a) To pay off farm loan bonds issued by said bank as they mature.
  - (b) To purchase at or below par farm loan bonds.
  - (c) To loan on first mortgages qualified under section sixteen of this Act.
  - (d) To purchase United States Government bonds.

[(e) To purchase Federal Farm Mortgage Corporation bonds.]

\* \* \* \* \*

SEC. 32. \* \* \*

\* \* \* \* \*

[Until such time as the Land Bank Commissioner determines that Federal farm loan bonds (other than those issued under this paragraph) are readily salable in the open market at a yield not in excess of 4 per centum per annum, but in no case more than two years after this paragraph takes effect, Federal land banks may issue farm loan bonds as authorized under this Act, for the purpose of making new loans, or for purchasing mortgages or exchanging bonds for mortgages as provided in paragraph "Second" of section 13 of this Act. The aggregate amount of the bonds issued under this paragraph shall not exceed \$2,000,000,000, and such bonds shall be issued in such denominations as the Land Bank Commissioner shall prescribe, shall bear interest at a rate not in excess of 4 per centum per annum, and shall be fully and unconditionally guaranteed as to interest by the United States, and such guaranty shall be expressed on the face thereof. In the event that it shall appear to the Land Bank Commissioner that the issuing bank or banks will be unable to pay upon demand, when due, the interest on any such bonds, the Secretary of the Treasury shall, upon the request of the Commissioner, pay the amount thereof, which is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated. Upon the payment of such interest by the Secretary of the Treasury the amount so paid shall become an obligation to the United States of the issuing bank or banks and shall bear interest at the same rate as that borne by the bonds upon which the interest has been so paid. After the expiration of one year from the date this paragraph takes effect, if in the opinion of the Land Bank Commissioner any part of the proceeds of the bonds authorized to be issued under this paragraph is not required for the purpose of making new loans or for purchasing mortgages or exchanging bonds for mortgages as herein provided, such bonds may be issued within the maximum limit herein specified for the purpose of refinancing any outstanding issues of Federal farm loan bonds; but no such bonds shall be issued after two years from the date this paragraph takes effect for the purpose of such refinancing. Any borrower who obtains a loan from a Federal land bank after the date this paragraph takes effect may, at any time after the expiration of five years from the date such loan was made, tender to such bank on any regular installment date, bonds issued under this paragraph in an amount not to exceed the unpaid principal of his loan, and the bonds so tendered shall be accepted by the bank at par in payment of any part of such unpaid principal.]

\* \* \* \* \*



## EMERGENCY FARM MORTGAGE ACT OF 1933

## TITLE II—AGRICULTURAL CREDITS

\*            \*            \*            \*            \*            \*

SEC. 32. [The Reconstruction Finance Corporation is authorized and directed to allocate and make available to the Land Bank Commissioner the sum of \$200,000,000, or so much thereof as may be necessary, to be used for the purpose of making loans as hereinafter provided to any farmer, secured by a first or second mortgage upon the whole or any part of the farm property, real or personal, including crops, of the farmer. The amount of the mortgage given by any farmer, together with all prior mortgages or other evidences of indebtedness secured by such farm property of the farmer, shall not exceed 75 per centum of the normal value thereof, as determined upon an appraisal made pursuant to the Federal Farm Loan Act, as amended; nor shall a loan in excess of \$7,500, be made to any one farmer. For the purposes of this section, farm property may be valued at an amount representing a prudent investment, consistent with community standards and rentals, if (1) the person occupying the property is not entirely dependent upon farm income for his livelihood but receives a part of his income from other dependable sources, and (2) the farm income from the property, together with earnings from other dependable sources ordinarily available in the community to a person operating such property, would be sufficient to support his family, to pay operating expenses and fixed charges, and to discharge the interest and amortization payments on the loan. Every mortgage made under this section shall contain an agreement providing for the repayment of the loan on an amortization plan by means of a fixed number of annual or semiannual installments, sufficient to cover (1) interest on unpaid principal at a rate of 1 per centum per annum higher than the rate on loans through Federal land bank associations made at the same time by the Federal land bank in the farm credit district in which the security for the loan under this section is located: *Provided, however,* That loans guaranteed under title III of the Servicemen's Readjustment Act of 1944 may be made at such lower rate as may be necessary to qualify them for such guaranty and (2) such payments equal in amount to be applied on principal as will extinguish the debt within an agreed period of not more than ten years or, in the case of a first or second mortgage secured wholly by real property within an agreed period no greater than that for which loans may be made under the Federal Farm Loan Act, as amended, from the date the first payment on principal is due: *Provided,* That when in the judgment of the Land Bank Commissioner conditions justify it, any mortgage made under this section may provide that during the first three years the loan is in effect payments of interest only may be required if the borrower shall not be in default with respect to any other condition or covenant of his mortgage. The instruments under which each loan under this section is made and security given therefor shall provide that if at any time it shall appear to the lender that the borrower may be able to obtain a Federal land bank loan on the mortgaged property, the borrower shall, on request of the lender, apply for a Federal land bank loan to pay off the loan under this section, and shall accept such loan as may be offered to him by the Federal land bank, if sufficient in amount

to pay the loan under this section and pay for any stock which it is necessary for him to purchase in obtaining the loan from the Federal land bank. No loan shall be made under this section unless the holder of any prior mortgage or instrument of indebtedness secured by such farm property arranges to the satisfaction of the Land Bank Commissioner to limit his right to proceed against the farmer and such farm property for default in payment of principal. Loans may be made under this section for any of the purposes for which Federal land banks are authorized by law to make loans, and for the following additional purpose, and none other: Refinancing, in connection with proceedings under chapter VIII of the Bankruptcy Act of July 1, 1898, as amended, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan. The provisions of paragraph "Ninth" of section 13 of the Federal Farm Loan Act, as amended (relating to charges to applicants for loans and borrowers from the Federal land banks), shall, so far as practicable, apply to loans made under this section. As used in this section, (1) the term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations or livestock raising, and includes a personal representative of a deceased farmer; (2) the term "person" includes an individual or a corporation engaged in the raising of livestock; and (3) the term "corporation" includes any incorporated association; but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the land to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 per centum in value and number of shares of the stock of the corporation is owned by the individuals personally actually so engaged, and (B) unless the owners of at least 75 per centum in value and number of shares of the stock of the corporation assume personal liability for the loan. No loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for. Until July 1, 1947, the Land Bank Commissioner shall, in his name, make loans under this section on behalf of the Federal Farm Mortgage Corporation, and may make such loans in cash or in bonds of the corporation, or if acceptable to the borrower, in consolidated farm loan bonds; but no such loans shall be made by him after July 1, 1947, except for the purpose of refinancing loans previously made by him under this section. As much as may be necessary of the assets of the corporation, including the bonds (and proceeds thereof) issued under section 4 of the Federal Farm Mortgage Corporation Act, may be used for the purposes of this section. Any Federal land bank, when duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation, shall have the power to execute any instrument relating to any mortgage taken to secure a loan made or to be made under this section, or relating to any property included in any such mortgage, or relating to any property acquired by the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation.】 Any [such] instrument

heretofore or hereafter executed on behalf of the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation by a Federal land bank, through its duly authorized officers, shall be conclusively presumed to have been duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation.

【Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed  $3\frac{1}{2}$  per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944, and shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 1, 1944, and prior to July 1, 1945. Notwithstanding the interest rate provided for in so-called purchase-money mortgages and real estate sales contracts taken by the Federal Farm Mortgage Corporation, the rate of interest payable on such mortgages and contracts shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on and after July 1, 1942, and prior to July 1, 1944.

#### 【REGULATIONS

【SEC. 33. The Land Bank Commissioner is authorized to make such rules and regulations, and to appoint, employ, and fix the compensation of such officers, employees, attorneys, and agents as may be necessary to carry out the purposes of this title and to make the relief contemplated by this title immediately available, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States: *Provided*, That no salary or compensation in excess of \$10,000 shall be paid to any person employed under the terms of the foregoing section.

#### 【FACILITIES OF FEDERAL LAND BANKS AND FEDERAL LAND BANK ASSOCIATIONS MADE AVAILABLE

【SEC. 34. The Federal land banks and the Federal land bank associations are authorized, upon request of the Land Bank Commissioner, to make available to him their services and facilities to aid in administering the provisions of this title.

#### 【PENALTIES

【SEC. 35. Any person who shall knowingly make any material false representation for the purpose of obtaining any loan under part 3 of this title, or in assisting in obtaining any such loan, shall, upon conviction thereof, be fined not more than \$1,000, or imprisoned not more than six months, or both.】



## FARM CREDIT ACT OF 1933

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## TITLE I

SECTION 1. This Act shall be known as the "Farm Credit Act of 1933."

\* \* \* \* \*

SEC. 62. The Central Bank for Cooperatives, the Production Credit Associations, [the Federal Farm Mortgage Corporation,] and Banks for Cooperatives, organized under this Act, when designated for that purpose by the Secretary of the Treasury, shall act as fiscal agents of the United States Government and when acting as such shall perform such duties as shall be prescribed by the Secretary of the Treasury.

\* \* \* \* \*

---

 THE FEDERAL FARM MORTGAGE CORPORATION ACT

AN ACT To provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* [That there is hereby established a corporation to be known as the "Federal Farm Mortgage Corporation", hereinafter in this Act referred to as the "corporation." The principal office of the corporation shall be located in the District of Columbia and the management of the corporation shall be vested in a board of directors consisting of the Secretary of the Treasury, or an officer of the Treasury designated by him, the Governor of the Farm Credit Administration, hereinafter in this Act referred to as the "Governor", and the Land Bank Commissioner. The directors shall receive no additional compensation for their services as directors of the corporation, but may be allowed actual necessary traveling and subsistence expenses when engaged in the business of the corporation outside of the District of Columbia. The Governor shall be the chairman of the board of directors. The directors shall have power to adopt such bylaws, rules, regulations, and amendments thereto as they deem necessary for the conduct of the business of the corporation authorized under this Act. The directors shall have power, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation and duties of such agents, officers, and employees of the corporation as may be necessary to carry out the powers and duties conferred upon the corporation by this Act, to require bonds of them and fix the penalties thereof and dismiss them at pleasure, and to prescribe the manner in which the obligations of the corporation shall be incurred and its expenses allowed and paid, but the rates of compensation of such agents, officers, and employees of the corporation shall not exceed the rates of compensation prescribed for comparable duties by the Classification Act of 1949, as amended.

【SEC. 2. The corporation shall have succession until dissolved by Act of Congress; shall have power to sue and be sued in any court, to adopt and use a corporate seal, to make contracts, and to acquire, hold, and dispose of real and personal property necessary and incident to the conduct of its business; and shall have such other powers as may be necessary and incident to carrying out its powers and duties under this Act. The corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The corporation, with the consent of any board, commission, independent establishment, or executive department of the Government, may avail itself of the use of information, services, facilities, officers, agents, and employees thereof, in carrying out the provisions of this Act.

【SEC. 3. The capital of the corporation shall be in the sum of \$200,000,000, which shall be subscribed by the Governor on behalf of the United States in such amounts and at such times as he deems necessary for the purposes of the corporation. For the purpose of such capital subscription, the funds and proceeds thereof made available to the Land Bank Commissioner under section 32 of the Emergency Farm Mortgage Act of 1933 and the mortgages taken by the Commissioner and the credit instruments secured thereby are hereby transferred to the corporation. The Federal Farm Mortgage Corporation is authorized to repay to the Secretary of the Treasury on behalf of the United States from time to time such portions of the amounts subscribed to the capital stock of the Corporation as are found by the board of directors to be in excess of the capital necessary to enable the Corporation to carry out its functions as authorized by law. The proceeds of such repayments shall be held in the Treasury of the United States as a fund available for subscription, by the Governor on behalf of the United States with the approval of the Secretary of the Treasury, to the capital of the Corporation when, in the judgment of the directors of the Corporation, additional subscriptions to its capital are necessary.

【SEC. 4. (a) With the approval of the Secretary of the Treasury, the corporation is authorized to issue and have outstanding at any one time bonds in an aggregate amount not exceeding \$2,000,000,000. Such bonds shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices, as may be prescribed by the corporation, with the approval of the Secretary of the Treasury. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is



authorized to purchase any bonds of the corporation issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Loan Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of the corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the corporation shall be treated as public debt transactions of the United States. No such bonds shall be issued in excess of the assets of the Corporation, including the assets to be obtained from the proceeds of such bonds, but a failure to comply with this provision shall not invalidate the bonds or the guaranty of the same. The corporation shall have power to purchase such bonds in the open market at any time and at any price.

On such terms and conditions as may be agreed upon, the corporation may exchange such bonds, upon application of any Federal land bank for consolidated farm loan bonds of equal face value issued under the Federal Farm Loan Act, as amended, and may exchange such consolidated farm loan bonds held by it for bonds of the corporation of equal face value.

[(b) The corporation is further authorized to purchase from time to time, for cash, such consolidated farm loan bonds at such prices and upon such terms as may be approved by the board of directors of the corporation; to make loans to Federal land banks and joint stock land banks on the security of real estate mortgages, sheriff's certificates, sales contracts and real estate, upon such terms and conditions as shall be prescribed by the board of directors of the corporation: *Provided, however,* That loans outstanding to joint stock land banks under this subsection shall not at any one time exceed in the aggregate \$10,000,000; to make loans to Federal land banks on the security of consolidated farm loan bonds; and to invest its funds in mortgage loans made under section 32 of the Emergency Farm Mortgage Act of 1933, as amended.

[When in the judgment of the directors conditions justify it, the corporation shall have power to extend, in whole or in part, any unpaid obligation under the terms of any mortgage, and to accept payment of any such obligation together with interest thereon, at a rate not exceeding 5 per centum per annum, during such period and in such amounts as may be agreed upon at the date of making such extension. The Corporation is authorized and empowered to sell and assign, without recourse and without warranty, its notes and mortgages representing loans made by the Land Bank Commissioner pursuant to section 32 of the Emergency Farm Mortgage Act of 1933, as amended (title 12 U.S.C. 1016), to the Federal land bank located in the farm credit district in which the mortgaged farm properties are situated and to sell and assign in like manner purchase money mortgages and contracts for the sale of farms held by the Federal Farm Mortgage Corporation in connection with the sale of farm property situated in such district.

[(c) In order to furnish bonds for delivery by the Federal Farm Mortgage Corporation, the Secretary of the Treasury is hereby authorized to prepare suitable bonds in such form, subject to the pro-



visions of this Act, as the board of directors may approve, such bonds when prepared to be held in the Treasury subject to delivery upon order of the corporation. The engraved plates, dies, bedpieces, and so forth, executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The corporation shall reimburse the Secretary of the Treasury for any expenditures made in the preparation, custody, and delivery of such bonds.

[SEC. 5. After ninety days after the enactment of this Act, no Federal land bank shall issue any bonds under the provisions of the last paragraph of section 32 of the Federal Farm Loan Act, as amended, subject to the guarantee of interest on such bonds by the United States except for the purpose of refinancing any bond which is or has been issued subject to such guarantee of interest.]

[SEC. 6. Direct loans made under section 7 of the Federal Farm Loan Act, as amended (U.S.C., Sup. VII, title 12, sec. 723), may, at the option of the Federal land bank, be made in bonds of the Federal Farm Mortgage Corporation.]

SEC. 7. The thirteenth paragraph of section 12 of the Federal Farm Loan Act, as amended (U.S.C., Sup. VII, title 12, sec. 772), is amended to read as follows:

"Amounts transmitted to farm loan associations by Federal land banks to be loaned to its members shall, at the option of the bank, be in current funds or Federal Farm Mortgage Corporation bonds, or, at the option of the borrower, in farm loan bonds."

SEC. 8. (a) Section 13 of the Federal Farm Loan Act, as amended (U.S.C., Sup. VII, title 12, sec. 781), is amended by inserting at the end thereof the following new paragraphs:

"Fifteenth. To exchange farm loan bonds for Federal Farm Mortgage Corporation bonds of equal face value, and to purchase Federal Farm Mortgage Corporation bonds at or below par.

"Sixteenth. To exchange Federal Farm Mortgage Corporation bonds for farm loan bonds of equal face value."

(b) The seventh paragraph of section 22 of the Federal Farm Loan Act, as amended (U.S.C., title 12, sec. 897), is amended by adding the following after the first subparagraph (d) thereof:

"(e) To purchase Federal Farm Mortgage Corporation bonds."

SEC. 9. Section 32 of the Emergency Farm Mortgage Act of 1933 (U.S.C., Sup. VII, title 12, sec. 1016) is amended by inserting at the end thereof the following: "Until February 1, 1936, the Land Bank Commissioner shall, in his name, make loans under this section on behalf of the Federal Farm Mortgage Corporation, either in cash or in bonds of the corporation at his election, but no such loans shall be made by him after February 1, 1936, except for the purpose of refinancing loans previously made by him under this section. Not to exceed \$600,000,000 of the bonds and proceeds thereof issued under section 4 of the Federal Farm Mortgage Corporation Act are hereby made available for the purposes of this section, in addition to the amounts transferred to such corporation under section 3 of such Act."

SEC. 10. Section 32 of the Emergency Farm Mortgage Act of 1933 is amended by striking out "\$5,000" and inserting in lieu thereof "\$7,500."

SEC. 11. Section 62 of the Farm Credit Act of 1933 (relating to fiscal agents of the United States) (U.S.C., Sup. VII, title 12, sec. 1138b) is amended by inserting after "Associations," the following: "the Federal Farm Mortgage Corporation,".

【SEC. 12. (a) The corporation, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the corporation shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.】

【(b) Mortgages executed to the Land Bank Commissioner and mortgages held by the Corporation, and the credit instruments secured thereby, and bonds issued by the Corporation under the provisions of this Act, shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation (except surtaxes, estate, inheritance, and gift taxes).】

SEC. 13. Section 64 of the Farm Credit Act of 1933 (relating to unlawful acts and penalties) (U.S.C., Sup. VII, title 12, sec. 1138d) is amended by inserting after "Farm Credit Administration" wherever such phrase appears a comma and the following: "any Federal intermediate credit bank, or the Federal Farm Mortgage Corporation,".

SEC. 14. Paragraph (2) of subsection (a) of section 5 of the Farm Credit Act of 1933 (U.S.C., Sup. VII, title 12, sec. 1131i) is amended by striking out the period at the end thereof and inserting a comma and the following: "and the notes or other obligations evidencing such advances and loans and the security therefor are hereby transferred to the Governor of the Farm Credit Administration."

SEC. 15. (a) Section 5 of the Farm Credit Act of 1933 (U.S.C., Sup. VII, title 12, sec. 1131i) is amended by inserting at the end thereof the following new subsection:

"(c) The amount of all balances, collections, and appropriations allocated under subsection (a) to the revolving fund created thereunder, which is in excess of \$120,000,000, is hereby made available to the Governor of the Farm Credit Administration for the establishment of a revolving fund of not to exceed \$40,000,000. Out of such revolving fund, the Governor is authorized to allocate and, with the approval of the Secretary of the Treasury, to expend such amounts as he deems necessary for subscriptions to the capital stock and/or paid-in surplus of Federal Intermediate Credit Banks."

(b) The first sentence of section 205 of the Federal Farm Loan Act (U.S.C., Sup. VII, title 12, sec. 1061), as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "which amount may be increased from time to time with the approval of the Governor of the Farm Credit Administration."

(c) Section 205 of the Federal Farm Loan Act (U.S.C., title 12, sec. 1061), as amended, is further amended by adding at the end thereof the following: "With the approval of the Secretary of the Treasury, the Governor of the Farm Credit Administration is hereby authorized to subscribe from time to time to the capital stock and/or paid-in surplus of any Federal Intermediate Credit Bank on behalf of the United States, in such amounts as he may determine are necessary for the purpose of meeting the credit needs of eligible borrowers from the bank, and the amount of the capital stock and paid-



in surplus of such bank may be increased or decreased from time to time by the Governor, in accordance with such needs. Such stock shall be divided into shares of \$100 each and subscriptions to such paid-in surplus shall be made in multiples of \$100 out of the revolving fund created under subsection (c) of section 5 of the Farm Credit Act of 1933, as amended. The Governor on behalf of the United States shall make payment for stock and paid-in surplus of such bank and such payment shall be subject to call in whole or in part by the board of directors of the bank, with the approval of the Governor."

SEC. 16. (a) The first sentence of the eighth paragraph of section 13 of the Federal Reserve Act, as amended, is further amended by inserting before the semicolon after the words "section 13(a) of this Act" a comma and the following: "or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act."

(b) Paragraph (b) of section 14 of the Federal Reserve Act, as amended (U.S.C., title 12, secs. 353-358), is further amended by inserting after the words "bonds and notes of the United States" a comma and the following: "bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months."

【SEC. 17. (a) If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

【(b) The right to alter, amend, or repeal this Act is hereby expressly reserved.

【SEC. 18. This Act may be cited as the "Federal Farm Mortgage Corporation Act".】

---

## ACT OF JUNE 4, 1936

AN ACT To make lands in drainage, irrigation, and conservancy districts eligible for loans by the Federal land banks and other Federal agencies loaning on farm lands, notwithstanding the existence of prior liens of assessments made by such districts, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Farm Credit Administration, 【the Federal Farm Mortgage Corporation,】 the Federal land banks, 【the Land Bank Commissioner,】 and any lending or financing agency established by or under the Farm Credit Act of 1933, as amended, or the Federal Farm Loan Act, as amended, are authorized to make loans or acquire mortgages on lands in any drainage, irrigation, or conservancy district, notwithstanding the existence of any prior lien or charge arising out of an assessment for special benefits made by such district, in any case where (1) such land is otherwise eligible for a loan, (2) such assessment is payable over a period of years, and (3) reasonable security exists for the repayment of the loan, taking into consideration all facts and values, including the term and size of the loan, the integrity of the applicant, and the increased earning capacity of the lands arising from the improvements or benefits in respect of which the assessment was made.



## ACT OF SEPTEMBER 6, 1950

AN ACT To direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

\* \* \* \* \*

【SEC. 4. The Secretary is directed to authorize the Federal Farm Mortgage Corporation to sell and convey the mineral interests heretofore or hereafter acquired by it in conformity with the policy expressed in this Act with respect to the mineral interests described in section 1 hereof.】

\* \* \* \* \*

## FARM CREDIT ACT OF 1953

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## TITLE

SECTION 1. This Act may be cited as the "Farm Credit Act of 1953".

\* \* \* \* \*

SEC. 7. (a) The offices of the Land Bank Commissioner, Production Credit Commissioner, Cooperative Bank Commissioner, and Intermediate Credit Commissioner are hereby abolished. 【The Governor shall designate an officer or employee of the Farm Credit Administration to serve at the pleasure of the Governor as a member of the board of directors of the Federal Farm Mortgage Corporation, in lieu of the Land Bank Commissioner. The Federal Farm Mortgage Corporation and its functions and activities are hereby transferred to the Farm Credit Administration and shall be administered therein under the general direction and supervision thereof.】

\* \* \* \* \*

## FEDERAL RESERVE ACT

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the short title of this Act shall be the "Federal Reserve Act."

\* \* \* \* \*

SEC. 13. \* \* \*

\* \* \* \* \*

Any Federal reserve bank may make advances for periods not exceeding fifteen days to its member banks on their promissory notes secured by the deposit or pledge of bonds, notes, certificates of indebtedness, or Treasury bills of the United States, or by the deposit or pledge of debentures or other such obligations of Federal intermediate credit banks which are eligible for purchase by Federal reserve

banks under section 13(a) of this Act; [or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act,] or by the deposit or pledge of bonds issued under the provisions of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, and any Federal reserve bank may make advances for periods not exceeding ninety days to its member banks on their promissory notes secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for rediscount or for purchase by Federal reserve banks under the provisions of this Act. All such advances shall be made at rates to be established by such Federal reserve banks, such rates to be subject to the review and determination of the Board of Governors of the Federal Reserve System. If any member bank to which any such advance has been made shall, during the life or continuance of such advance, and despite an official warning of the reserve bank of the district or of the Board of Governors of the Federal Reserve System to the contrary, increase its outstanding loans secured by collateral in the form of stocks, bonds, debentures, or other such obligations, or loans made to members of any organized stock exchange, investment house, or dealer in securities, upon any obligation, note, or bill, secured or unsecured, for the purpose of purchasing and/or carrying stocks, bonds, or other investment securities (except obligations of the United States) such advance shall be deemed immediately due and payable, and such member bank shall be ineligible as a borrower at the reserve bank of the district under the provisions of this paragraph for such period as the Board of Governors of the Federal Reserve System shall determine: *Provided*, That no temporary carrying or clearance loans made solely for the purpose of facilitating the purchase or delivery of securities offered for public subscription shall be included in the loans referred to in this paragraph.

\* \* \* \* \*  
SEC. 14. \* \* \*

Every Federal reserve bank shall have power:

\* \* \* \* \*

(b) To buy and sell, at home or abroad, bonds and notes of the United States, [bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months,] bonds issued under the provisions of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, and having maturities from date of purchase of not exceeding six months, and bills, notes, revenue bonds, and warrants with a maturity from date of purchase of not exceeding six months, issued in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues by any State, county, district, political subdivision, or municipality in the continental United States, including irrigation, drainage and reclamation districts, such purchases to be made in accordance with rules and regulations prescribed by the Board of Governors of the Federal Reserve System: *Provided*, That, notwithstanding any other provision of this Act, (1) until July 1, 1962, any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities either in the open market or directly from or to the United States; but all such

purchases and sales shall be made in accordance with the provisions of section 12A of this Act and the aggregate amount of such obligations acquired directly from the United States which is held at any one time by the twelve Federal Reserve banks shall not exceed \$5,000,000,000; and (2) after June 30, 1962, any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities but only in the open market. The Board of Governors of the Federal Reserve System shall include in their annual report to Congress detailed information with respect to direct purchases and sales from or to the United States under the provisions of the preceding proviso.

\* \* \* \* \*

## FIRST DEFICIENCY APPROPRIATION ACT, FISCAL YEAR 1936

AN ACT Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes, namely:

\* \* \* \* \*

## TITLE IV—JUDGMENTS AND AUTHORIZED CLAIMS

\* \* \* \* \*

SEC. 7. (a) Notwithstanding any other provision of law, none of the establishments or agencies named in subsection (b) of this section shall, after June 30, 1937, incur any obligations for administrative expenses, except pursuant to an annual appropriation specifically therefor, nor shall any such establishment or agency continue to function after said date unless established by or pursuant to law: *Provided*, That nothing contained in this section shall be construed to extend the period during which any such establishment or agency heretofore has been authorized by law to function.

- (b) 1. Federal Home Loan Bank Board;  
 2. Home Owners' Loan Corporation;  
 3. Federal Housing Administration;  
 [4. Federal Farm Mortgage Corporation;]  
 [5] 4. Federal Surplus Commodities Corporation;  
 [6] 5. Export-Import Bank of Washington;  
 [7] 6. Second Export-Import Bank of Washington, District of Columbia;  
 [8] 7. Reconstruction Finance Corporation;  
 [9] 8. Electric Home and Farm Authority;  
 [10] 9. Commodity Credit Corporation;  
 [11] 10. Federal Emergency Administration of Public Works;



- [12] 11. Federal Savings and Loan Insurance Corporation;  
 [13] 12. Reconstruction Finance Mortgage Corporation.

\* \* \* \* \*

## GOVERNMENT CORPORATION CONTROL ACT

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Government Corporation Control Act".*

\* \* \* \* \*

## TITLE I—WHOLLY OWNED GOVERNMENT CORPORATIONS

\* \* \* \* \*

SEC. 101. As used in this Act the term "wholly owned Government corporation" means the Commodity Credit Corporation; Regional Agricultural Credit Corporation; Farmers Home Corporation; Federal Crop Insurance Corporation; [Federal Farm Mortgage Corporation;] Federal Surplus Commodities Corporation; Reconstruction Finance Corporation; Defense Plant Corporation; Defense Supplies Corporation; Metals Reserve Company; Rubber Reserve Company; War Damage Corporation; Federal National Mortgage Association; the RFC Mortgage Company; Disaster Loan Corporation; Inland Waterways Corporation; Warrior River Terminal Company; Virgin Islands Corporation; Federal Prison Industries, Incorporated; United States Spruce Production Corporation; Development Loan Fund; Institute of Inter-American Affairs; Institute of Inter-American Transportation; Inter-American Educational Foundation, Incorporated; Inter-American Navigation Corporation; Prencinradio, Incorporated; Cargoes, Incorporated; Export-Import Bank of Washington; Petroleum Reserves Corporation; Rubber Development Corporation; U.S. Commercial Company; Smaller War Plants Corporation; Federal Public Housing Authority (or Public Housing Administration) and including public housing projects financed from appropriated funds and operations thereof; Defense Homes Corporation; Federal Savings and Loan Insurance Corporation; Home Owners' Loan Corporation; United States Housing Corporation; Federal Housing Administration; Saint Lawrence Seaway Development Corporation; Panama Canal Company; Tennessee Valley Authority; and Tennessee Valley Associated Cooperatives, Incorporated.

\* \* \* \* \*

## DEPARTMENT OF AGRICULTURE ORGANIC ACT OF 1944

[SEC. 603. All expenditures which under the accounting system prescribed for the Federal Farm Mortgage Corporation by the General Accounting Office are to be treated as capital investments, increasing the book value of acquired fixed property (real estate and chattel), shall be considered as nonadministrative expenses for the purposes of section 7 of the Act of June 22, 1936.]

## TITLE 18 OF THE UNITED STATES CODE

## CHAPTER 23.—CONTRACTS

\* \* \* \* \*

§ 433. Sections 431 and 432 of this title shall not extend to any contract or agreement made or entered into, or accepted by any incorporated company for the general benefit of such corporation; nor to the purchase or sale of bills of exchange or other property where the same are ready for delivery and payment therefor is made at the time of making or entering into the contract or agreement. Nor shall the provisions of such sections apply to advances, loans, discounts, purchase or repurchase agreements, extensions, or renewals thereof, or acceptances, releases or substitutions of security therefor or other contracts or agreements made or entered into under the Reconstruction Finance Corporation Act, the Agricultural Adjustment Act, the Federal Farm Loan Act, the Emergency Farm Mortgage Act of 1933, [the Federal Farm Mortgage Corporation Act,] the Farm Credit Act of 1933, or the Home Owners Loan Act of 1933, the Farmers' Home Administration Act of 1946, the Bankhead-Jones Farm Tenant Act, or to crop insurance agreements or contracts or agreements of a kind which the Secretary of Agriculture may enter into with farmers.

Any exemption permitted by this section shall be made a matter of public record.

\* \* \* \* \*

## CHAPTER 25.—COUNTERFEITING AND FORGERY

\* \* \* \* \*

§ 493. Whoever falsely makes, forges, counterfeits or alters any note, bond, debenture, coupon, obligation, instrument, or writing in imitation or purporting to be in imitation of, a note, bond, debenture, coupon, obligation, instrument or writing, issued by the Reconstruction Finance Corporation, Federal Deposit Insurance Corporation, Home Owners' Loan Corporation, Farm Credit Administration, Federal Housing Administration, [Federal Farm Mortgage Corporation] or any land bank, intermediate credit bank, bank for cooperatives or any lending, mortgage, insurance, credit or savings and loan corporation or association authorized or acting under the laws of the United States, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

Whoever passes, utters, or publishes, or attempts to pass, utter or publish any note, bond, debenture, coupon, obligation, instrument or document knowing the same to have been falsely made, forged, counterfeited or altered, contrary to the provisions of this section, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

\* \* \* \* \*

CHAPTER 31.—EMBEZZLEMENT AND THEFT

\* \* \* \* \*

§ 657. Whoever, being an officer, agent or employee of or connected in any capacity with the Reconstruction Finance Corporation, Federal Deposit Insurance Corporation, Home Owners' Loan Corporation, Farm Credit Administration, Federal Housing Administration, [Federal Farm Mortgage Corporation,] Federal Crop Insurance Corporation, Farmers' Home Corporation, the Secretary of Agriculture acting through the Farmers' Home Administration, or any land bank, intermediate credit bank, bank for cooperatives or any lending, mortgage, insurance, credit or savings and loan corporation or association authorized or acting under the laws of the United States or any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, or any small business investment company, and whoever, being a receiver of any such institution, or agent or employee of the receiver, embezzles, abstracts, purloins or willfully misapplies any moneys, funds, credits, securities or other things of value belonging to such institution, or pledged or otherwise intrusted to its care, shall be fined not more than \$5,000 or imprisoned not more than five years, or both; but if the amount or value embezzled, abstracted, purloined or misapplied does not exceed \$100, he shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

§ 658. Whoever, with intent to defraud, knowingly conceals, removes, disposes of, or converts, to his own use or to that of another, any property mortgaged or pledged to, or held by, the Farm Credit Administration, any Federal intermediate credit bank, or the [Federal Farm Mortgage Corporation,] Federal Crop Insurance Corporation, Farmers' Home Corporation, the Secretary of Agriculture acting through the Farmers' Home Administration, any production credit association organized under sections 1131-1134m of Title 12, any regional agricultural credit corporation, or any bank for cooperatives, shall be fined not more than \$5,000 or imprisoned not more than five years, or both; but if the value of such property does not exceed \$100, he shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

\* \* \* \* \*

CHAPTER 47.—FRAUD AND FALSE STATEMENTS

\* \* \* \* \*

§ 1006. Whoever, being an officer, agent or employee of or connected in any capacity with the Reconstruction Finance Corporation, Federal Deposit Insurance Corporation, Home Owners' Loan Corporation, Farm Credit Administration, Federal Housing Administration, [Federal Farm Mortgage Corporation,] Federal Crop Insurance Corporation, Farmers' Home Corporation, the Secretary of Agriculture acting through the Farmers' Home Administration, or any land bank, intermediate credit bank, bank for cooperatives or any lending,



mortgage, insurance, credit or savings and loan corporation or association authorized or acting under the laws of the United States, or any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, or any small business investment company, with intent to defraud any such institution or any other company, body politic or corporate, or any individual, or to deceive any officer, auditor, examiner or agent of any such institution or of department or agency of the United States, makes any false entry in any book, report or statement of or to any such institution, or without being duly authorized, draws any order or bill of exchange, makes any acceptance, or issues, puts forth or assigns any note, debenture, bond or other obligation, or draft, bill of exchange, mortgage, judgment, or decree, or, with intent to defraud the United States or any agency thereof, or any corporation, institution, or association referred to in this section, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission, contract, or any other act of any such corporation, institution, or association, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

\* \* \* \* \*

§ 1014. Whoever knowingly makes any false statement or report, or willfully overvalues any land, property or security, for the purpose of influencing in any way the action of the Reconstruction Finance Corporation, Farm Credit Administration, Federal Crop Insurance Corporation, Farmers' Home Corporation, the Secretary of Agriculture acting through the Farmers' Home Administration, any Federal intermediate credit bank, [or the Federal Farm Mortgage Corporation,] or any division officer, or employee thereof, or of any corporation organized under sections 1131-1134m of Title 12, or of any regional agricultural credit corporation established pursuant to law, or of the National Agricultural Credit Corporation, a Federal Home Loan Bank, the Federal Home Loan Bank Board, the Home Owners' Loan Corporation, a Federal Savings and Loan Association, a Federal land bank, a joint stock land bank, a Federal land bank association, or of a Federal Reserve bank, or of a small business investment company, upon any application, advance, discount, purchase, purchase agreement, repurchase agreement, commitment, or loan, or any change or extension of any of the same, by renewal, deferment of action or otherwise, or the acceptance, release, or substitution of security therefor, shall be fined not more than \$5,000 or imprisoned not more than two years, or both.

\* \* \* \* \*









Calendar No. 329

87TH CONGRESS  
1ST SESSION

# S. 1040

[Report No. 358]

---

## IN THE SENATE OF THE UNITED STATES

FEBRUARY 22, 1961

Mr. WILLIAMS of Delaware introduced the following bill; which was read twice  
and referred to the Committee on Agriculture and Forestry

JUNE 8, 1961

Reported by Mr. HOLLAND, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

---

## A BILL

To abolish the Federal Farm Mortgage Corporation, and for  
other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That ~~(a)~~ the Federal Farm Mortgage Corporation, estab-  
4       lished by the Act of January 31, 1934 (48 Stat. 344; 12  
5       U.S.C. 1020), is hereby abolished; and, except as provided  
6       in subsection ~~(b)~~, all of the powers, duties, functions, and  
7       authority of such Corporation are hereby terminated.

8       ~~(b)~~ There are hereby transferred to the Secretary of  
9       the Treasury ~~(1)~~ all cash, accounts receivable, and other  
10      assets owned by the Federal Farm Mortgage Corporation,

1 and ~~(2)~~ all authority of such corporation relating to the col-  
2 lection of notes receivable from the Federal land banks.

3 ~~(c)~~ Any cash received by the Secretary of the Treasury,  
4 and any moneys collected by him, by virtue of the transfer  
5 made under this section shall be deposited in the general fund  
6 of the Treasury as miscellaneous receipts.

7 SEC. 2. No suit, action, or other proceeding lawfully  
8 commenced by or against the Federal Farm Mortgage Cor-  
9 poration shall abate by reason of the enactment of this Act,  
10 but the court, on motion or supplemental petition filed at any  
11 time within twelve months after the date of such enactment,  
12 may allow the same to be maintained by or against the Sec-  
13 retary of the Treasury.

14 SEC. 3. ~~(a)~~ The Federal Farm Mortgage Corporation  
15 Act, as amended ~~(12 U.S.C. 1020)~~, except sections 10 and  
16 ~~15(a)~~ thereof, is hereby repealed.

17 ~~(b)~~ Section 32 of the Emergency Farm Mortgage Act  
18 of 1933, as amended ~~(12 U.S.C. 1016)~~, is amended by—

19 ~~(1)~~ striking out the eleventh sentence;

20 ~~(2)~~ striking out the words “and the Federal Farm  
21 Mortgage Corporation” and “and/or the Federal Farm  
22 Mortgage Corporation” where they appear in the thir-  
23 teenth and fourteenth sentences; and

24 ~~(3)~~ striking out the last sentence.

25 ~~(c)~~ The first sentence of the eighth paragraph of sec-

tion 13 of the Federal Reserve Act, as amended (~~12 U.S.C. 347~~), is amended by striking out “or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act,”.

(d) The first sentence of section 14(b) of the Federal Reserve Act, as amended (~~12 U.S.C. 355~~), is amended by striking out “bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months,”.

(e) The fourteenth paragraph of section 7 of the Federal Farm Loan Act, as amended (~~12 U.S.C. 723(c)~~), is amended by striking out the fourth sentence thereof.

(f) The thirteenth paragraph of section 12 of the Federal Farm Loan Act, as amended (~~12 U.S.C. 772~~), is amended to read as follows:

“Amounts transmitted to farm loan associations by Federal land banks to be loaned to its members shall, at the option of the bank, be in current funds or, at the option of the borrower, in farm loan bonds.”

(g) The eighth paragraph of section 13 of the Federal Farm Loan Act, as amended (~~12 U.S.C. 781~~), is amended to read as follows:

“Eighth. Buying and selling obligations of the United States.—To buy and sell United States Government obligations direct or fully guaranteed.”



1       ~~(h)~~ Section 13 of the Federal Farm Loan Act, as  
 2 amended ~~(12 U.S.C. 781)~~, is amended by striking out the  
 3 fifteenth, sixteenth, and twentieth paragraphs thereof.

4       ~~(i)~~ Section 22 of the Federal Farm Loan Act, as  
 5 amended ~~(12 U.S.C. 897)~~, is amended by ~~(1)~~ striking  
 6 out clause ~~(e)~~ under the heading "In the case of a Federal  
 7 land bank", and ~~(2)~~ striking out clause ~~(e)~~ under the  
 8 heading "In the case of a joint-stock land bank".

9       ~~(j)~~ Section 62 of the Farm Credit Act of 1933, as  
 10 amended ~~(12 U.S.C. 1138b)~~, is amended by striking out  
 11 "the Federal Farm Mortgage Corporation,".

12       ~~(k)~~ The Act of June 4, 1936, as amended ~~(49 Stat.~~  
 13 ~~1461; 12 U.S.C. 773a)~~, is amended by striking out "the  
 14 Federal Farm Mortgage Corporation,".

15       ~~(l)~~ Section 7~~(b)~~ of the First Deficiency Appropria-  
 16 tion Act, fiscal year 1936, approved June 22, 1936 ~~(49~~  
 17 ~~Stat. 1648; 15 U.S.C. 712a(b))~~, is amended by striking  
 18 out item 4 thereof and by redesignating items 5 to 13,  
 19 inclusive, as 4 to 12, respectively.

20       ~~(m)~~ The Act of September 6, 1950 ~~(64 Stat. 769;~~  
 21 ~~7 U.S.C. 1036)~~, is amended by striking out section 4  
 22 thereof.

23       ~~(n)~~ Section 7~~(a)~~ of the Farm Credit Act of 1953, as  
 24 amended ~~(12 U.S.C. 636f(a))~~, is amended by striking out  
 25 the second and third sentences thereof.

1       ~~(o)~~ The second sentence of section 433 of title 18 of  
 2 the United States Code is amended by striking out “the  
 3 Federal Farm Mortgage Corporation Act,”.

4       ~~(p)~~ The first paragraph of section 493 of title 18 of  
 5 the United States Code is amended by striking out “Federal  
 6 Farm Mortgage Corporation”.

7       ~~(q)~~ Section 657 of title 18 of the United States Code  
 8 is amended by striking out “Federal Farm Mortgage  
 9 Corporation,”.

10       ~~(r)~~ Section 658 of title 18 of the United States Code  
 11 is amended by striking out “Federal Farm Mortgage  
 12 Corporation,”.

13       ~~(s)~~ Section 1006 of title 18 of the United States Code  
 14 is amended by striking out “Federal Farm Mortgage Cor-  
 15 poration,”.

16       ~~(t)~~ Section 1014 of title 18 of the United States Code is  
 17 amended by striking out “or the Federal Farm Mortgage  
 18 Corporation,”.

19       ~~(u)~~ Section 101 of the Government Corporation Con-  
 20 trol Act, as amended (31 U.S.C. 846), is amended by strik-  
 21 ing out “Federal Farm Mortgage Corporation;”.

22       ~~(v)~~ The Department of Agriculture Organic Act of  
 23 1944, as amended (58 Stat. 741; 12 U.S.C. 1020a-1), is  
 24 amended by striking out section 603 thereof.

1   *That (a) the Federal Farm Mortgage Corporation, estab-*  
2   *lished by the Act of January 31, 1934 (48 Stat. 344; 12*  
3   *U.S.C. 1020), is hereby abolished; and, except as provided*  
4   *in subsection (d), all of the powers, duties, functions, and*  
5   *authority of such Corporation are hereby terminated.*

6       *(b) All right, title, and interest in or to real property*  
7   *other than reserved mineral interests which may appear of*  
8   *public record in any farm credit district to be in the Land*  
9   *Bank Commissioner or the Federal Farm Mortgage Cor-*  
10   *poration are hereby confirmed to be in the Federal land bank*  
11   *of said district, and said bank is hereby authorized in its own*  
12   *name or in the name of the Federal Farm Mortgage Corpo-*  
13   *ration to execute any assignment, release, satisfaction, or*  
14   *other instrument as may be necessary or appropriate in con-*  
15   *nection therewith to perfect title of record in the true owners.*

16       *(c) All right, title, and interest to any reserved mineral*  
17   *interests of the Federal Farm Mortgage Corporation which*  
18   *have not been disposed of otherwise by the Federal Farm*  
19   *Mortgage Corporation are hereby confirmed to be in the*  
20   *United States of America to be administered by the Secre-*  
21   *tary of the Interior under the mineral laws of the United*  
22   *States.*

23       *(d) There are hereby transferred to the Secretary of*  
24   *the Treasury (1) all cash, accounts receivable, and other*  
25   *assets owned by the Federal Farm Mortgage Corporation,*



1 and (2) all authority of such corporation relating to the col-  
2 lection of notes receivable from the Federal land banks.

3 (e) Any cash received by the Secretary of the Treasury,  
4 and any moneys collected by him, by virtue of the transfer  
5 made under this section shall be deposited in the general fund  
6 of the Treasury as miscellaneous receipts.

7 SEC. 2. No suit, action, or other proceeding lawfully  
8 commenced by or against the Federal Farm Mortgage Cor-  
9 poration shall abate by reason of the enactment of this Act,  
10 but the court, on motion or supplemental petition filed at any  
11 time within twelve months after the date of such enactment,  
12 may allow the same to be maintained by or against the Sec-  
13 retary of the Treasury.

14 SEC. 3. (a) Sections 1, 2, 3, 4, 5, 6, 12, 17, and 18  
15 of the Federal Farm Mortgage Corporation Act, as amended  
16 (12 U.S.C. 1020, 1020a-1020h, 992a, 723(f)), are hereby  
17 repealed.

18 (b) Sections 32 (except the fourteenth sentence thereof),  
19 33, 34, and 35 of the Emergency Farm Mortgage Act of  
20 1933, as amended (12 U.S.C. 1016-1019, except 1016(h);  
21 second sentence), are hereby repealed, and the fourteenth  
22 sentence of such section 32 (12 U.S.C. 1016(h), second sen-  
23 tence) is hereby amended by deleting therefrom the word  
24 "such".

25 (c) The first sentence of the eighth paragraph of sec-

tion 13 of the Federal Reserve Act, as amended (12 U.S.C. 347), is amended by striking out "or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act,".

(d) The first sentence of section 14(b) of the Federal Reserve Act, as amended (12 U.S.C. 355), is amended by striking out "bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months,".

(e) The fourteenth paragraph of section 7 of the Federal Farm Loan Act, as amended (12 U.S.C. 723(c)), is amended by striking out the fourth sentence thereof.

(f) The last paragraph of section 12 of the Federal Farm Loan Act, as amended (12 U.S.C. 722), is amended to read as follows:

"Amounts transmitted to Federal land bank associations by Federal land banks to be loaned to its members shall, at the option of the bank, be in current funds or, at the option of the borrower, in farm loan bonds."

(g) Paragraph Eighth of section 13 of the Federal Farm Loan Act, as amended (12 U.S.C. 781), is amended to read as follows:

"Eighth. To buy and sell United States Government obligations direct or fully guaranteed."

(h) Section 13 of the Federal Farm Loan Act, as

1 amended (12 U.S.C. 781), is amended by striking out  
2 paragraphs Fifteenth, Sixteenth, and Twentieth thereof.

3 (i) Section 22 of the Federal Farm Loan Act, as  
4 amended (12 U.S.C. 897), is amended by (1) striking  
5 out clause (e) under the heading "In the case of a Federal  
6 land bank", and (2) striking out clause (e) under the  
7 heading "In the case of a joint-stock land bank".

8 (j) Section 62 of the Farm Credit Act of 1933, as  
9 amended (12 U.S.C. 1138b), is amended by striking out  
10 "the Federal Farm Mortgage Corporation,".

11 (k) The Act of June 4, 1936, as amended (49 Stat.  
12 1461; 12 U.S.C. 773a), is amended by striking out "the  
13 Federal Farm Mortgage Corporation," and "the Land Bank  
14 Commissioner".

15 (l) Section 7(b) of the First Deficiency Appropria-  
16 tion Act, fiscal year 1936, approved June 22, 1936 (49  
17 Stat. 1648; 15 U.S.C. 712a(b)), is amended by striking  
18 out item 4 thereof and by redesignating items 5 to 13, inclu-  
19 sive, as 4 to 12, respectively.

20 (m) The Act of September 6, 1950 (64 Stat. 769;  
21 7 U.S.C. 1036), is amended by striking out section 4  
22 thereof.

23 (n) Section 7(a) of the Farm Credit Act of 1953, as  
24 amended (12 U.S.C. 636f(a)), is amended by striking out  
25 the second and third sentences thereof.



1       (o) The second sentence of section 433 of title 18 of  
2 the United States Code is amended by striking out "the  
3 Federal Farm Mortgage Corporation Act,".

4       (p) The first paragraph of section 493 of title 18 of  
5 the United States Code is amended by striking out "Federal  
6 Farm Mortgage Corporation".

7       (q) Section 657 of title 18 of the United States Code  
8 is amended by striking out "Federal Farm Mortgage Cor-  
9 poration,".

10       (r) Section 658 of title 18 of the United States Code  
11 is amended by striking out "Federal Farm Mortgage Cor-  
12 poration,".

13       (s) Section 1006 of title 18 of the United States Code  
14 is amended by striking out "Federal Farm Mortgage Cor-  
15 poration,".

16       (t) Section 1014 of title 18 of the United States Code is  
17 amended by striking out "or the Federal Farm Mortgage  
18 Corporation,".

19       (u) Section 101 of the Government Corporation Con-  
20 trol Act, as amended (31 U.S.C. 846), is amended by strik-  
21 ing out "Federal Farm Mortgage Corporation;".

22       (v) The Department of Agriculture Organic Act of  
23 1944, as amended (58 Stat. 741; 12 U.S.C. 1020a-1), is  
24 amended by striking out section 603 thereof.

1       (w) *The last paragraph of section 32 of the Federal*  
2 *Farm Loan Act, as amended (12 U.S.C. 992, 993), is*  
3 *hereby repealed.*

87TH CONGRESS  
1ST SESSION

**S. 1040**

[Report No. 358]

---

---

# **A BILL**

---

---

To abolish the Federal Farm Mortgage Corporation, and for other purposes.

---

---

By Mr. WILLIAMS of Delaware

---

---

FEBRUARY 22, 1961

Read twice and referred to the Committee on  
Agriculture and Forestry

JUNE 8, 1961

Reported with an amendment







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

## CONTENTS

Issued June 13, 1961  
For actions of June 12, 1961  
87th-1st, No. 97

Appropriations.....	11,13,31	
Civil defense.....	20	
Coffee.....	17	
Cotton.....	16	
Education.....	23,29	
Employment.....	29	
Forestry.....	3	
Farm labor.....	6,15,18	
Farm mortgage.....	4	
Farm program.....	9,15,30	
Feed grains.....	7	
Foreign affairs.....	25	
Foreign aid.....	8	
Forest Service.....	31	
Housing.....	1	
Lands.....	3,14,21	
Legislative program.....	10	
Organization.....	24	
Property.....	28	
Reclamation.....	27	
Roads.....	5,10	
School lunch.....	22	
Small business.....	11	
Soil bank.....	26	
Surplus food.....	8	
Transportation.....	12	
Water resources.....	19	
Watersheds.....	2	
Wool.....	13	

HIGHLIGHTS: Senate passed housing bill. House debated Commerce-General Government Matters appropriation bill. Rep. Kyl opposed financing Wool Act by direct appropriations. Sen. Humphrey criticized migratory farm labor program.

## SENATE

1. HOUSING. By a vote of 64 to 25, passed with amendments S. 1922, the omnibus housing bill. pp. 9299-9320,9262
2. WATERSHEDS. Passed without amendment S. 650, to amend the Watershed Protection and Flood Prevention Act so as to permit any irrigation or reservoir company, water users' association, or similar organization approved by the Secretary of Agriculture to sponsor works or improvement. p. 9292
3. FORESTRY; LANDS. Passed without amendment S. 848, to authorize the Secretary of Agriculture to convey a parcel of forest land to the town of Tellico Plains, Tenn. pp. 9291-2  
Passed without amendment S. 302, to authorize appropriation of an additional \$2 million for the purchase of land within the boundaries of the Superior National Forest, Minn. pp. 9293-4



The Interior and Insular Affairs Committee voted to report (but did not actually report) S. 1647, to provide for an exchange of federally owned lands (including Forest Service lands) at the Cedar Breaks National Monument, Utah. P. D438

The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 5416, to include within the boundaries of Joshua Tree National Monument in California certain donated lands used in connection with the monument. p. D438

The "Daily Digest" states that the Interior and Insular Affairs Committee "discussed, but took no action on, S. 174, to establish a National Wilderness Preservation System." p. D438

4. FARM MORTGAGE CORPORATION. Passed as reported S. 1040, to abolish the Federal Farm Mortgage Corporation. pp. 9292-3

5. ROADS. The Finance Committee reported H. R. 6713, to amend certain laws relating to the Federal-aid highway program (S. Rept. 367). p. 9253

6. FARM LABOR. Sen. Humphrey expressed concern for the welfare of migratory farm workers, stated that "these workers who help tend the abundance of our tables have long been the poorest and most neglected in our Nation," and inserted a newspaper editorial, "Protecting the Migrant Workers." pp. 9329-30

Sen. Long, Mo., discussed proposed bills to aid migratory farm workers and inserted an article, "Senator Williams Talks Farm Labor." pp. 9283-5

7. FEED GRAINS. Sen. Humphrey inserted a report of this Department on the signup under the feed grains program, "Final Feed Grain Signup Report Shows More Than 26.6 Million Acres," and stated that "It appears that the feed grain program ... has been a success so far as signup is concerned." pp. 9327-8

8. FOREIGN AID. Sen. Javits inserted an editorial, "Debate on Foreign Aid," stating that indications are that the President's foreign aid program "is running into trouble in Congress." p. 9323

Sen. Humphrey inserted a news release from the office of George McGovern, Director, Food For Peace, reporting on the use of surplus food for refugees and homeless families in 22 different countries of the world. p. 9329

Sen. Gruening inserted an article by John K. Galbraith, "A Positive Approach to Economic Aid," and an article by Justice Douglas, "Errors in the Foreign Aid Programs." pp. 9342-6

9. FARM PROGRAM. Sen. Ellender inserted a La. Legislature resolution opposing passage of the omnibus farm bill. p. 9252

10. LEGISLATIVE PROGRAM. Sen. Mansfield announced that H. R. 6713, the Federal-aid highway bill, will be considered later this week. p. 9320

#### HOUSE

11. APPROPRIATIONS. Began debate on H. R. 7577, the Department of Commerce and general Government matters appropriations for 1962. pp. 9388-94

Rep. Patman said "I was distressed to learn that H. R. 7577 reduced the appropriation for the Small Business Administration from \$18,447,000 to \$17,525,000." p. 9399

12. TRANSPORTATION. Passed as reported H. R. 6775, to provide for the operation of steamship conferences. pp. 9369-72



The title was amended so as to read: "A bill for the relief of Mary Dawn Polson (Emmy Lou Kim) and Joseph King Polson (Sung Sang Moon)."

#### GEORGIOS TZOTZOLAS

The Senate proceeded to consider the bill (S. 266) for the relief of Georgios Tzotzolas, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 4, after the name "Georgios", to strike out "Tzotzolas" and insert "Laskaris Tgotgolas", so as to make the bill read:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Georgios Laskaris Tgotgolas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of the status of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Georgios Laskaris Tgotgolas."

#### GEORGE JOHN COUTSOUBINAS AND OTHERS

The Senate proceeded to consider the bill (S. 553) for the relief of Gorge John Coutsoubinas and others, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 4, after the word "Act", to strike out "George John Coutsoubinas," and in the same line, after "Olga G.", to strike out "Coutsoubinas," and insert "Coutsoubinas and", and in line 5, after the name "Coutsoubinas", to strike out the comma and "and Agath G. Coutsoubinas," so as to make the bill read:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Olga G. Coutsoubinas and Spyridon G. Coutsoubinas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Olga G. Coutsoubinas and Spyridon G. Coutsoubinas."

#### FUNG WAN

The Senate proceeded to consider the bill (S. 700) for the relief of Fung Wan, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Fung Wan (Mrs. Jung Gum Goon), the widow of a United States citizen who served honorably in the Armed Forces of the United States, shall be held and considered to be within the purview of section 101(a)(27)(A) of that Act and the provisions of section 205 of that Act shall not be applicable in this case.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Fung Wan (Mrs. Jung Gum Goon)."

#### DR. PERKINS P. K. CHANG AND OTHERS

The Senate proceeded to consider the bill (S. 942) for the relief of Dr. Perkins P. K. Chang and others, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Doctor Perkins P. K. Chang (Chang Peng-Keng) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of September 14, 1955, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Doctor Perkins P. K. Chang (Chang Peng-Keng)."

#### BILL PASSED OVER

The bill (S. 1206) for the relief of Continental Hosiery Mills, Inc., of Henderson, N.C., successor to Continental Hosiery Co., of Henderson, N.C., was announced as next in order.

Mr. KEATING. Mr. President, I favor this bill, but I have a request that it go over, so I ask that it go over.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

#### WAR RISK INSURANCE

The bill (S. 1931) to extend the provisions of title XIII of the Federal Aviation Act of 1958, relating to war risk insurance was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of*

*America in Congress assembled,* That section 1312 of title XIII of the Federal Aviation Act of 1958 (49 U.S.C. 1542), is hereby amended by striking out "June 13, 1961" and inserting "June 13, 1966" in lieu thereof.

#### BILLS PASSED OVER

The bill (H.R. 2457) to amend title V of the Merchant Marine Act of 1936, in order to clarify the construction subsidy provisions with respect to reconstruction, reconditioning, and conversion, and for other purposes, was announced as next in order.

Mr. KEATING. Over by request.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

The bill (S. 120) to amend the Federal Water Pollution Control Act to provide for a more effective program of water pollution control was announced as next in order.

Mr. MUSKIE. Over.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

#### SHELLFISHERIES RESEARCH CENTER AT MILFORD, CONN.

The bill (S. 606) to provide for the construction of a shellfisheries research center at Milford, Conn., was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior, acting through the United States Fish and Wildlife Service, is authorized and directed to construct at Milford, Connecticut, a research center for shellfisheries production and for such purpose acquire such real property as may be necessary. Such research center shall consist of research facilities, a pilot hatchery including rearing tanks and ponds, and a training school, and shall be used for the conduct of basic research on the physiology and ecology of commercial shellfish, the development of hatchery methods for cultivation of mollusks, including the development of principles that can be applied to the utilization of artificial and natural salt water ponds for shellfish culture, and to train persons in the most advanced methods of shellfish culture.

SEC. 2. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed \$1,325,000 to carry out this Act.

#### TELLICO PLAINS, TENN., LAND TRANSFER

The bill (S. 848) to authorize the Secretary of Agriculture to convey a certain parcel of land to the town of Tellico Plains, Tenn., was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed to the town of Tellico Plains, Tennessee, all right, title, and interest of the United States in and to a certain tract of land, together with any improvements thereon, consisting of ap-



proximately 0.20 of an acre, in the town of Tellico Plains, Tennessee, known as the Fred Lee tract (621), such tract, which is no longer required by the United States Forest Service, having been previously conveyed by such town to the United States without consideration (by deed dated June 16, 1931) for use by the United States Forest Service.

Mr. MUSKIE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by the distinguished Senator from Louisiana [Mr. ELLENDER].

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ELLENDER

The bill directs the Secretary of Agriculture to quitclaim two-tenths of an acre to the town of Tellico Plains, Tenn.

The land was donated to the Forest Service in 1931 on behalf of the citizens of Tellico Plains. The deed specified that the land was "to be used for the location and erection of a warehouse by the Forest Service, and for any additional purpose or purposes which in the judgment of said Forest Service may be deemed desirable." The Forest Service now has no need for the land and there are no improvements on the land of any value to the United States. Its return to the citizens of Tellico Plains by means of quitclaim to the town without consideration only represents fair play and equity. The deed to the United States was executed by Fred Lee and Gussie Lee on behalf of the citizens of Tellico Plains. Mr. and Mrs. Lee have no objection to conveyance of the land to the town.

WATERSHED PROTECTION AND FLOOD PREVENTION ACT, AMENDMENT

The bill (S. 650) to amend the Watershed Protection and Flood Prevention Act to permit certain new organizations to sponsor works of improvement thereunder was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the last paragraph of section 2 of the Watershed Protection and Flood Prevention Act is amended by inserting immediately before the period at the end thereof the following: "or any irrigation or reservoir company, water users' association, or similar organization having such authority that may be approved by the Secretary".

ABOLITION OF FEDERAL FARM MORTGAGE CORPORATION

The Senate proceeded to consider the bill (S. 1040) to abolish the Federal Farm Mortgage Corporation, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That (a) the Federal Farm Mortgage Corporation, established by the Act of January 31, 1934 (48 Stat. 344; 12 U.S.C. 1020), is hereby abolished; and, except as provided in subsection (d), all of the powers, duties, functions, and authority of such Corporation are hereby terminated.

(b) All right, title, and interest in or to real property other than reserved mineral interests which may appear of public record in any farm credit district to be in the Land

Bank Commissioner or the Federal Farm Mortgage Corporation are hereby confirmed to be in the Federal land bank of said district, and said bank is hereby authorized in its own name or in the name of the Federal Farm Mortgage Corporation to execute any assignment, release, satisfaction, or other instrument as may be necessary or appropriate in connection therewith to perfect title of record in the true owners.

(c) All right, title, and interest to any reserved mineral interests of the Federal Farm Mortgage Corporation which have not been disposed of otherwise by the Federal Farm Mortgage Corporation are hereby confirmed to be in the United States of America to be administered by the Secretary of the Interior under the mineral laws of the United States.

(d) There are hereby transferred to the Secretary of the Treasury (1) all cash, accounts receivable, and other assets owned by the Federal Farm Mortgage Corporation and (2) all authority of such corporation relating to the collection of notes receivable from the Federal land banks.

(e) Any cash received by the Secretary of the Treasury, and any moneys collected by him, by virtue of the transfer made under this section shall be deposited in the general fund of the Treasury as miscellaneous receipts.

SEC. 2. No suit, action, or other proceeding lawfully commenced by or against the Federal Farm Mortgage Corporation shall abate by reason of the enactment of this Act, but the court, on motion or supplemental petition filed at any time within twelve months after the date of such enactment, may allow the same to be maintained by or against the Secretary of the Treasury.

SEC. 3. (a) Sections 1, 2, 3, 4, 5, 6, 12, 17, and 18 of the Federal Farm Mortgage Corporation Act, as amended (12 U.S.C. 1020, 1020a-1020h, 992a, 723(f)), are hereby repealed.

(b) Sections 32 (except the fourteenth sentence thereof), 33, 34, and 35 of the Emergency Farm Mortgage Act of 1933, as amended (12 U.S.C. 1016-1019, except 1016(h), second sentence), are hereby repealed, and the fourteenth sentence of such section 32 (12 U.S.C. 1016(h), second sentence) is hereby amended by deleting therefrom the word "such".

(c) The first sentence of the eighth paragraph of section 13 of the Federal Reserve Act, as amended (12 U.S.C. 347), is amended by striking out "or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act".

(d) The first sentence of section 14(b) of the Federal Reserve Act, as amended (12 U.S.C. 355), is amended by striking out "bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months".

(e) The fourteenth paragraph of section 7 of the Federal Farm Loan Act, as amended (12 U.S.C. 723(c)), is amended by striking out the fourth sentence thereof.

(f) The last paragraph of section 12 of the Federal Farm Loan Act, as amended (12 U.S.C. 722), is amended to read as follows: "Amounts transmitted to Federal land bank associations by Federal land banks to be loaned to its members shall, at the option of the bank, be in current funds or, at the option of the borrower, in farm loan bonds."

(g) Paragraph Eighth of section 13 of the Federal Farm Loan Act, as amended (12 U.S.C. 781), is amended to read as follows: "Eighth. To buy and sell United States Government obligations direct or fully guaranteed."

(h) Section 13 of the Federal Farm Loan Act, as amended (12 U.S.C. 781), is amended by striking out paragraphs Fifteenth, Sixteenth and Twentieth thereof.

(i) Section 22 of the Federal Farm Loan Act, as amended (12 U.S.C. 897), is amended by (1) striking out clause (e) under the heading "In the case of a Federal land bank" and (2) striking out clause (e) under the heading "In the case of a joint-stock land bank".

(j) Section 62 of the Farm Credit Act of 1933, as amended (12 U.S.C. 1138b), is amended by striking out "the Federal Farm Mortgage Corporation".

(k) The Act of June 4, 1936, as amended (49 Stat. 1461; 12 U.S.C. 773a), is amended by striking out "the Federal Farm Mortgage Corporation," and "the Land Bank Commissioner".

(l) Section 7(b) of the First Deficiency Appropriation Act, fiscal year 1936, approved June 22, 1936 (49 Stat. 1648; 15 U.S.C. 712a (b)), is amended by striking out item 4 thereof and by redesignating items 5 to 13, inclusive, as 4 to 12, respectively.

(m) The Act of September 6, 1950 (64 Stat. 769; 7 U.S.C. 1036), is amended by striking out section 4 thereof.

(n) Section 7(a) of the Farm Credit Act of 1953, as amended (12 U.S.C. 636f(a)), is amended by striking out the second and third sentences thereof.

(o) The second sentence of section 433 of title 18 of the United States Code is amended by striking out "the Federal Farm Mortgage Corporation Act".

(p) The first paragraph of section 493 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation".

(q) Section 657 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation".

(r) Section 658 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation".

(s) Section 1006 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation".

(t) Section 1014 of title 18 of the United States Code is amended by striking out "or the Federal Farm Mortgage Corporation".

(u) Section 101 of the Government Corporation Control Act, as amended (31 U.S.C. 846), is amended by striking out "Federal Farm Mortgage Corporation".

(v) The Department of Agriculture Organic Act of 1944, as amended (58 Stat. 741; 12 U.S.C. 1020a-1), is amended by striking out section 603 thereof.

(w) The last paragraph of section 32 of the Federal Farm Loan Act, as amended (12 U.S.C. 992, 993), is hereby repealed.

The amendment was agreed to.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Senator from Florida asks unanimous consent that a statement in reference to the bill be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HOLLAND

This bill would abolish the Federal Farm Mortgage Corporation, which has been in liquidation since 1947. The committee amendment simply incorporates in the bill a number of technical amendments recommended by the Farm Credit Administration as being necessary to accomplish the purposes of the bill in a proper manner.

The Federal Farm Mortgage Corporation was established in 1934 to aid in financing land bank commissioner loans. Authority for such loans expired in 1947. As of June 30, 1955, pursuant to an act approved June 1 of that year all assets of the Corporation held as a result of the land bank commissioner loans, except cash, accounts receivable, and reserved mineral interests, were sold to the Federal land banks. As of September 6, 1957, pursuant to an act approved



September 6, 1950, all reserved mineral interests held by the Corporation and not involved in two court actions which are still pending, were transferred to the United States to be administered by the Secretary of the Interior.

The present assets of the Corporation consist of cash on hand in the amount of \$194,557.40 and promissory notes of the Federal land banks in the amount of \$2,191,156.94. These remaining assets would be transferred to the Secretary of the Treasury. The cash on hand and collections on the notes would be covered into the Treasury as miscellaneous receipts. Pending actions by or against the Corporation could, on motion be maintained by or against the Secretary of the Treasury.

The committee amendment provides a method of perfecting record title to lands in which the Corporation may still appear to have an interest, repeals obsolete provisions for land bank commissioner loans, prevents the unintended revival of bond issuance authority heretofore repealed, and makes necessary drafting corrections.

Mr. WILLIAMS of Delaware. Mr. President, the purpose of S. 1040 is to abolish the Federal Farm Mortgage Corporation, a depression-born agency whose services have not been used during the past 15 years. This agency, however, while presently dormant still retains all of its previously conferred powers, including the power to borrow up to \$2 billion and to pledge the credit of the U.S. Government for payment.

The Federal Farm Mortgage Corporation was established by an act of Congress on January 31, 1934, primarily for the purpose of enabling the land bank commissioner to make mortgage loans on farm properties on which the then existing lending authority of the Federal land banks had been restricted.

The Government held all the capital stock in this corporation. It was authorized, subject to the approval of the Secretary of the Treasury, to issue and have outstanding at any one time \$2 billion in federally guaranteed bonds, and it could make collateral loans to the Federal land banks as well as purchase the bonds of those banks.

This corporation did serve a necessary function during the depression years, but with the outbreak of World War II and its accompanying appreciation in Federal income and property values the services of this agency were no longer necessary, and since the end of World War II it has not functioned as a lending agency.

In fact, the authority of the Commissioner to make mortgage loans expired on July 1, 1947, except for refinancing existing loans, and no extension has been asked.

On June 30, 1955, all remaining outstanding loans and certain other assets of the corporation were sold by the corporation to the Federal land banks.

On September 7, 1957, all their mineral reservations remaining unsold were transferred to the Secretary of the Interior in accordance with provisions of legislation enacted in September 1950.

In September 1957, the Government's investment in the capital stock of the corporation was fully retired.

The corporation, however, was not abolished; it still retains its authority (subject to the approval of the Secretary

of the Treasury) to issue and have outstanding at any one time \$2 billion in federally guaranteed bonds. They still have authority to make collateral loans to the Federal land banks and to purchase their bonds. This authority is not being used, but it is still there.

The Comptroller General in his annual audits of the Farm Credit Administration for the past several years has strongly recommended that Congress take action to terminate the existence of the corporation.

As of June 30, 1960, the only assets of the corporation were certain notes receivable from Federal land banks in the amount of \$3,933,116. These notes represent the balance due from the sale of the loans and other assets of the corporation to these banks, and they are payable by the representative banks in annual installments.

Collecting these annual payments on notes from the Federal land banks and then transferring the proceeds to the Federal Treasury are the only duties left for this corporation to perform. These payments could just as easily be made direct to the Treasury.

I repeat, the Federal Farm Mortgage Corporation during the depression served a useful function. It was started at a time when the Federal land banks were not in a strong financial position, and its purpose was to support these banks by providing additional capital for loans to the farmers during the depression of the 1930's. The Federal land banks are now, however, all in a strong financial position, and everyone agrees that there is no need for any funds or any support from this corporation.

Although this agency has not made any loans since the depression years and even though the authority of the Commissioner to make mortgage loans expired on July 1, 1947, except for refinancing existing loans, we find that since 1950 over \$4 million has been appropriated to cover their administration expenses.

Direct appropriations were suspended in 1955, during which year all loans and other assets of the corporation were sold to the Federal land banks; however, during each of the ensuing years authority has been extended in the annual appropriation bills for the corporation to make such expenditures from collected funds as were necessary to continue the liquidation of its assets. These expenditures, however, have been systematically reduced, and last year they were reduced to about \$5,000.

But why any expenditure? Why keep a useless agency alive when it is not needed? No agency of the Government having the power to borrow and pledge the credit of the U.S. Government in the amount of \$2 billion should be allowed to lie around waiting until some bureaucrat with a fanciful imagination decides to revive it.

I appreciate the cooperation of the Senate Agriculture Committee in favorable reporting this bill, and am glad that the Senate is today giving the bill its unanimous approval.

The PRESIDING OFFICER. The Senator from Florida wishes to state

that the objections made by the official bodies were accepted by the distinguished author of the bill, the Senator from Delaware, and we understand were covered by the amendment.

The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

#### AMENDMENT OF ACT RELATING TO AREAS WITHIN THE SUPERIOR NATIONAL FOREST, MINN.

The Senate proceeded to consider the bill (S. 302) to amend the act of June 22, 1948, as amended, relating to certain areas within the Superior National Forest, in the State of Minnesota, and for other purposes.

Mr. PROXMIRE. Mr. President, I have a brief statement to make on the bill.

This bill concerns the Boundary Waters Canoe Area of the Superior National Forest, a wilderness area of approximately a million acres of land, streams, and lakes in Minnesota, formerly known as the Superior, Little Indian Sioux, and Caribou Roadless Areas.

In 1948 Congress authorized the Secretary of Agriculture to acquire nonfederally owned lands in this area. Appropriations have been authorized to carry out the 1948 act in the sum of \$2,500,000, of which \$250,000 remains unappropriated.

The 1948 act contained the following limitation on the acquisition of these lands by condemnation:

No contiguous tract of land in one ownership, not exceeding five hundred acres in the aggregate, shall be condemned if at the time of the approval of this Act it is encumbered with a structure or structures of a permanent type suitable for human occupancy and if the owner thereof files written objections before expiration of the time for answering the petition in the proceedings.

Within the area covered by the 1948 act, there still remain to be acquired some 15,400 acres of privately owned land, consisting of 13 commercial resorts, 57 summer homes, and some unimproved properties.

There are about 15,700 acres of county ownership and about 110,000 acres of State-owned land. It is anticipated that perhaps half of the county land and much of the State land can be acquired by land exchange.

In order to preserve and protect the unique qualities of this area and complete the acquisition of the remaining needed lands, the bill would do three things:

First, it would remove the restriction on condemnation.

Second, it would increase the appropriation authorization by \$2 million to \$4.5 million.

Third, it would permit appropriations to remain available until expended.

Prompt completion of the program should avert the necessity of larger expenditures later, as rising land values and the addition of further improvements make acquisition more expensive.



The PRESIDING OFFICER. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (S. 302) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Act of June 22, 1948, as amended (16 U.S.C. 577c-557h) is amended by deleting the proviso from section 1 (16 U.S.C. 577c) and by changing the figure in section 6 (16 U.S.C. 557h) thereof to read \$4,500,000. Funds appropriated to carry out the purposes of the Act shall remain available until expended.

#### REGISTRATION OF CERTAIN MOTOR VEHICLE OPERATORS' LICENSE

The bill (S. 1440) to amend the act approved July 14, 1960, relating to the establishment of a register in the Department of Commerce of certain motor vehicle operators' license, was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 1 of the Act approved July 14, 1960 (74 Stat. 526), is hereby amended to read as follows:

"That the Secretary of Commerce shall establish and maintain a register containing the name of each individual reported to him by a State, or political subdivision thereof, as an individual with respect to whom such State or political subdivision has terminated or temporarily withdrawn an individual's license or privilege to operate a motor vehicle because of (1) driving under the influence of intoxicating liquor, or (2) conviction of a violation of a statute of a State, or ordinance of any political subdivision thereof, which resulted in the death of any person. Such register shall contain such other information as the Secretary may deem appropriate to carry out the purposes of this Act."

#### IMPOSITION OF FORFEITURES FOR CERTAIN VIOLATIONS OF RULES AND REGULATIONS OF FEDERAL COMMUNICATIONS COMMISSION

The bill (S. 1668) to authorize the imposition of forfeitures for certain violations of the rules and regulations of the Federal Communications Commission in the common carrier and safety and special fields, was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That title V of the Communications Act of 1934 is amended by adding at the end thereof a new section as follows:

##### "FORFEITURE IN CASES OF VIOLATIONS OF CERTAIN RULES AND REGULATIONS

"SEC. 510. (a) Where any radio station other than licensed radio stations in the broadcast service or stations governed by the provisions of parts II and III of title III and section 507 of this Act—

"(1) is operated by any person not holding a valid radio operator license or permit of the class prescribed in the rules and regulations of the Commission for the operation of such station;

"(2) is operated without identifying the station at the times and in the manner pre-

scribed in the rules and regulations of the Commission;

"(3) transmits any false call contrary to regulations of the Commission;

"(4) is operated on a frequency not authorized by the Commission for use by such station;

"(5) transmits unauthorized communications on any frequency designated as a distress or calling frequency in the rules and regulations of the Commission;

"(6) interferes with any distress call or distress communication contrary to the regulations of the Commission;

"(7) fails to attenuate spurious emissions to the extent required by the rules and regulations of the Commission;

"(8) is operated with power in excess of that authorized by the Commission;

"(9) renders a communication service not authorized by the Commission for the particular station;

"(10) is operated with a type of emission not authorized by the Commission;

"(11) is operated with transmitting equipment other than that authorized by the Commission; or

"(12) willfully or repeatedly fails to respond to official communications from the Commission;

the person or persons operating such station and the licensee of the station shall, in addition to any other penalty prescribed by law, each forfeit to the United States the sum of \$100. The violation of the provisions of each numbered clause of this subsection shall constitute a separate offense: *Provided*, That \$100 shall be the maximum amount of forfeiture liability for which any person shall be liable under this section for the violation of the provisions of any one of the numbered clauses of this subsection, irrespective of the number of violations thereof, occurring within ninety days prior to the date the notice of apparent liability is issued or sent as provided in subsection (c) of this section: *And provided further*, That \$500 shall be the maximum amount of forfeiture liability for which any such person shall be liable under this section for all violations of the provisions of this section, irrespective of the total number thereof, occurring within ninety days prior to the date said notice of apparent liability is issued or sent as provided in subsection (c) of this section.

"(b) The forfeiture liability provided for in this section shall attach only for a willful, or negligent, or repeated violation by any such person of the provisions of this section.

"(c) No forfeiture liability under this section shall attach after the lapse of ninety days from the date of the violation unless within such time a written notice of apparent liability, setting forth the facts which indicate apparent liability, shall have been issued by the Commission and received by such person, or the Commission has sent him such notice by registered mail or by certified mail at his last known address. The person so notified of apparent liability shall have the opportunity to show cause in writing why he should not be held liable and, upon his request, he shall be afforded an opportunity for a personal interview with an official of the Commission at the field office of the Commission nearest to the person's place of residence."

SEC. 2. Section 504(b) of the Communications Act of 1934 (47 U.S.C. 504(b)) is amended by striking out "section 503(b) and section 507" and inserting in lieu thereof "section 503(b), section 507, and section 510".

SEC. 3. This Act shall take effect on the thirtieth day after the date of its enactment.

The PRESIDING OFFICER. That concludes the call of the calendar.

#### SUPPORT FOR SPACE BONDS GROWS

Mr. KEATING. Mr. President, some time ago I urged the issuing of space bonds by the administration in order to help finance our Nation's efforts in outer space. Unfortunately, the first reaction of the Treasury Department was negative. This was not the fault of Secretary Dillon. Since that time Secretary Dillon has personally indicated to me his interest in the proposal and his intention of thoroughly investigating its feasibility.

I am very glad to know that the idea will have further study within the Treasury Department. I have already received widespread comment upon the project and I believe it would have enthusiastic public support. It would have the advantage of permitting those who are most interested in the programs for outer space to invest in them.

The plan would give to those who have savings an opportunity to do some of the sacrificing which has been widely talked about for our national interest. It would be expected that the bonds would bear a rather low rate of interest. I think the greatest advantage of the proposal would be promotional in character.

At the same time, it could help to reduce some of the inflationary pressure which would result if a portion of the additional spending on space which the administration plans were financed through a shorter term bond issue.

I ask unanimous consent to include in the RECORD at this point several editorials from all over the country supporting the idea of space bonds.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Ashland (Wis.) Press,  
May 23, 1961]

##### BUY A SPACE BOND

Senator KENNETH B. KEATING, New York Republican, proposed that long-term space bonds be sold on the same terms as series E savings bonds to finance the cost of sending an astronaut to the moon. At an estimated cost of \$40 billion, this would mean every person in the country could take a part in the project by buying \$225 in space bonds. At the present pitch of enthusiasm for the successful space flight of Comdr. Alan B. Shepard, Jr., it should not be too hard to get people to buy a space bond for the first flight to the moon.

[From the St. Augustine (Fla.) Record,  
May 24, 1961]

##### BONDS FOR SPACE

Government borrowing of money from the public by sale of bonds to finance various projects—especially wars—always has brought a patriotic response from the American people.

They know it's a good investment because they will get their money back with interest. In other words, they prefer to lend the Government the money rather than lose it altogether through taxation.

Another war is being fought. It's the competition between the United States and Russia to move out into space for new scientific discoveries which it is felt will benefit man, and on the evil side of the ledger, to perhaps set up space controls.

Russia reportedly put the first man in orbit.

Along comes our Comdr. Alan Shepard, Jr. He makes a nice easy trip and now everyone is excited about the next step. Uncle Sam wants to be first to put a man on the moon.







87TH CONGRESS  
1ST SESSION

# S. 1040

---

IN THE HOUSE OF REPRESENTATIVES

JUNE 13, 1961

Referred to the Committee on Agriculture

---

## AN ACT

To abolish the Federal Farm Mortgage Corporation, and for  
other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That (a) the Federal Farm Mortgage Corporation, estab-  
4       lished by the Act of January 31, 1934 (48 Stat. 344; 12  
5       U.S.C. 1020), is hereby abolished; and, except as provided  
6       in subsection (d), all of the powers, duties, functions, and  
7       authority of such Corporation are hereby terminated.

8       (b) All right, title, and interest in or to real property  
9       other than reserved mineral interests which may appear of  
10      public record in any farm credit district to be in the Land  
11      Bank Commissioner or the Federal Farm Mortgage Cor-

1 poration are hereby confirmed to be in the Federal land bank  
2 of said district, and said bank is hereby authorized in its own  
3 name or in the name of the Federal Farm Mortgage Corpo-  
4 ration to execute any assignment, release, satisfaction, or  
5 other instrument as may be necessary or appropriate in con-  
6 nection therewith to perfect title of record in the true owners.

7 (c) All right, title, and interest to any reserved mineral  
8 interests of the Federal Farm Mortgage Corporation which  
9 have not been disposed of otherwise by the Federal Farm  
10 Mortgage Corporation are hereby confirmed to be in the  
11 United States of America to be administered by the Secre-  
12 tary of the Interior under the mineral laws of the United  
13 States.

14 (d) There are hereby transferred to the Secretary of  
15 the Treasury (1) all cash, accounts receivable, and other  
16 assets owned by the Federal Farm Mortgage Corporation,  
17 and (2) all authority of such corporation relating to the col-  
18 lection of notes receivable from the Federal land banks.

19 (e) Any cash received by the Secretary of the Treasury,  
20 and any moneys collected by him, by virtue of the transfer  
21 made under this section shall be deposited in the general fund  
22 of the Treasury as miscellaneous receipts.

23 SEC. 2. No suit, action, or other proceeding lawfully  
24 commenced by or against the Federal Farm Mortgage Cor-  
25 poration shall abate by reason of the enactment of this Act,



but the court, on motion or supplemental petition filed at any time within twelve months after the date of such enactment, may allow the same to be maintained by or against the Secretary of the Treasury.

SEC. 3. (a) Sections 1, 2, 3, 4, 5, 6, 12, 17, and 18 of the Federal Farm Mortgage Corporation Act, as amended (12 U.S.C. 1020, 1020a–1020h, 992a, 723 (f) ), are hereby repealed.

(b) Sections 32 (except the fourteenth sentence thereof), 33, 34, and 35 of the Emergency Farm Mortgage Act of 1933, as amended (12 U.S.C. 1016–1019, except 1016 (h), second sentence), are hereby repealed, and the fourteenth sentence of such section 32 (12 U.S.C. 1016 (h), second sentence) is hereby amended by deleting therefrom the word “such”.

(c) The first sentence of the eighth paragraph of section 13 of the Federal Reserve Act, as amended (12 U.S.C. 347), is amended by striking out “or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act,”.

(d) The first sentence of section 14 (b) of the Federal Reserve Act, as amended (12 U.S.C. 355), is amended by striking out “bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months,”.

1       (e) The fourteenth paragraph of section 7 of the Fed-  
2       eral Farm Loan Act, as amended (12 U.S.C. 723 (c) ), is  
3       amended by striking out the fourth sentence thereof.

4       (f) The last paragraph of section 12 of the Federal  
5       Farm Loan Act, as amended (12 U.S.C. 722), is amended  
6       to read as follows:

7       “Amounts transmitted to Federal land bank associations  
8       by Federal land banks to be loaned to its members shall, at  
9       the option of the bank, be in current funds or, at the option  
10      of the borrower, in farm loan bonds.”

11      (g) Paragraph Eighth of section 13 of the Federal Farm  
12      Loan Act, as amended (12 U.S.C. 781), is amended to read  
13      as follows:

14      “Eighth. To buy and sell United States Government  
15      obligations direct or fully guaranteed.”

16      (h) Section 13 of the Federal Farm Loan Act, as  
17      amended (12 U.S.C. 781), is amended by striking out  
18      paragraphs Fifteenth, Sixteenth, and Twentieth thereof.

19      (i) Section 22 of the Federal Farm Loan Act, as  
20      amended (12 U.S.C. 897), is amended by (1) striking  
21      out clause (c) under the heading “In the case of a Federal  
22      land bank”, and (2) striking out clause (c) under the  
23      heading “In the case of a joint-stock land bank”.

1 (j) Section 62 of the Farm Credit Act of 1933, as  
2 amended (12 U.S.C. 1138b), is amended by striking out  
3 “the Federal Farm Mortgage Corporation,”.

4 (k) The Act of June 4, 1936, as amended (49 Stat.  
5 1461; 12 U.S.C. 773a), is amended by striking out “the  
6 Federal Farm Mortgage Corporation,” and “the Land Bank  
7 Commissioner”.

8 (l) Section 7 (b) of the First Deficiency Appropria-  
9 tion Act, fiscal year 1936, approved June 22, 1936 (49  
10 Stat. 1648; 15 U.S.C. 712a (b)), is amended by striking  
11 out item 4 thereof and by redesignating items 5 to 13, inclu-  
12 sive, as 4 to 12, respectively.

13 (m) The Act of September 6, 1950 (64 Stat. 769;  
14 7 U.S.C. 1036), is amended by striking out section 4 thereof.

15 (n) Section 7 (a) of the Farm Credit Act of 1953, as  
16 amended (12 U.S.C. 636f (a) ), is amended by striking out  
17 the second and third sentences thereof.

18 (o) The second sentence of section 433 of title 18 of  
19 the United States Code is amended by striking out “the  
20 Federal Farm Mortgage Corporation Act,”.

21 (p) The first paragraph of section 493 of title 18 of  
22 the United States Code is amended by striking out “Federal  
23 Farm Mortgage Corporation”.



1       (q) Section 657 of title 18 of the United States Code  
2 is amended by striking out “Federal Farm Mortgage Cor-  
3 poration,”.

4       (r) Section 658 of title 18 of the United States Code  
5 is amended by striking out “Federal Farm Mortgage Cor-  
6 poration,”.

7       (s) Section 1006 of title 18 of the United States Code  
8 is amended by striking out “Federal Farm Mortgage Cor-  
9 poration,”.

10      (t) Section 1014 of title 18 of the United States Code is  
11 amended by striking out “or the Federal Farm Mortgage  
12 Corporation,”.

13      (u) Section 101 of the Government Corporation Con-  
14 trol Act, as amended (31 U.S.C. 846), is amended by strik-  
15 ing out “Federal Farm Mortgage Corporation;”.

16      (v) The Department of Agriculture Organic Act of  
17 1944, as amended (58 Stat. 741; 12 U.S.C. 1020a-1), is  
18 amended by striking out section 603 thereof.

19      (w) The last paragraph of section 32 of the Federal  
20 Farm Loan Act, as amended (12 U.S.C. 992, 993), is  
21 hereby repealed.

Passed the Senate June 12, 1961.

Attest:

FELTON M. JOHNSTON,

*Secretary.*



---

---

**AN ACT**

To abolish the Federal Farm Mortgage Corporation, and for other purposes.

---

---

JUNE 13, 1961

Referred to the Committee on Agriculture







which the food resources of this Nation are being used in order to strengthen American foreign policy, help underdeveloped countries, and relieve human suffering." pp. 15931-2

10. FOREIGN AID. Sen. Sparkman inserted an article by the chairman of the Foreign Policy Clearing House, "Foreign Aid Fallacies and Facts." pp. 16029-30
  11. VETERANS' BENEFITS. As reported (see Digest 137), S. 349, the proposed Veterans' Readjustment Assistance Act of 1961, includes provisions as follows:
 

Provides educational or vocational training assistance, including on-the-job and institutional on-farm training pursued on a full-time basis, to veterans who have served on active duty between Jan. 31, 1955, and July 1, 1963, for a period of more than 180 days, and have been discharged under conditions other than dishonorable. Benefits would be determined by multiplying  $1\frac{1}{2}$  times each day of active military service up to a maximum of 36 months.

Provides that veterans who have served on active duty between Jan. 31, 1955, and July 1, 1963, for a period of more than 180 days, and have been discharged under conditions other than dishonorable, shall be eligible for VA guarantee loans and direct loans for the purpose of purchasing homes, including homes on farms, and farmlands, livestock, machinery, etc., to be used in farming operation conducted by the veteran. Loans would be made by banks or other lending institutions with the Government guaranteeing 60 percent of a loan for residential real estate, or 50 percent of other real estate loans, with guaranty not to exceed \$7,500 for real estate home loans or \$4,000 for other real estate loans. Loans on farm realty would have maturities up to 40 years. In certain rural areas, the VA is now authorized to lend up to \$15,000 directly to the veteran when private capital is not available for a guaranty loan.

Provides for vocational rehabilitation training for veterans with a service-connected disability of 10 percent or more arising from active military service either between the end of World War II (July 25, 1947) and the beginning of the Korean conflict (June 27, 1950), or subsequent to the end of the Korean conflict (Jan. 31, 1955).
  12. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the following bills have been scheduled for consideration this week: S. 174, the wilderness preservation bill; H. R. 2010, the Mexican farm labor bill; H. R. 7391, conservation of migratory waterfowl; S. 543, preservation of shoreline areas; and H. R. 2883, defense of suits against Federal employees arising from their operation of motor vehicles in the scope of their employment. pp. 16033, 15997-8
  13. ADJOURNED until Mon., Aug. 28. p. 16034
- HOUSE
14. CONSERVATION. The Subcommittee on Conservation and Credit of the Agriculture Committee voted to report to the full committee with amendments H. R. 8520, to limit financial and technical assistance for drainage of certain wetlands when such drainage will be harmful to wildlife. p. D769
  15. FARMS LOANS. The Subcommittee on Conservation and Credit of the Agriculture Committee voted to report to the full committee S. 1927, to make a number of amendments to simplify and clarify the operations of institutions supervised by FCA. p. D769
  16. FARM MORTGAGE CORPORATION. The Subcommittee on Conservation and Credit of the Agriculture Committee voted to report to the full committee S. 1040, to abolish the Federal Farm Mortgage Corporation. p. D769



ITEMS IN APPENDIX

17. SEASHORES. Extension of remarks of Sen. Yarborough discussing his bill S. 4, to provide for the establishment of the Padre Island National Seashore, and inserting an article, "Tolbert: The Poop on Padre Island." pp. A6697-8
18. EXPORTS. Extension of remarks of Rep. Pelly supporting H. Res. 403, to create a select committee to conduct an investigation of the administration, operation, and enforcement of the Export Control Act of 1949, and saying, "I am at loss to understand why the administration is allowing the export from the United States of materials that seem to me to be of great strategic military value to the Sino-Soviet bloc." p. A6698
19. WILDLIFE. Extension of remarks of Sen. Wiley inserting an article, "Wisconsin's Outdoor Laboratories--Preservation of Our Scientific Areas Is Vital to Human Welfare--They Include Virgin Landscape in Which Rattlesnakes Are as Welcome as Songbirds." pp. A6700-1

BILLS INTRODUCED

20. HONEY. S. 2472, by Sen. McCarthy (for himself and Sen. Humphrey), to authorize marketing agreements and orders under section 8c of the Agricultural Adjustment Act (as reenacted by the Agricultural Marketing Act of 1937), as amended, with respect to honey; to the Agriculture and Forestry Committee. Remarks of Sen. McCarthy. p. 15927-8
21. INDUSTRIAL AGENTS. S. 2467, by Sen. Humphrey, to improve commerce and industrial development through the establishment of a county industrial agent program; to the Commerce Committee.
22. PERSONNEL. S. 2468, by Sen. Johnston, to increase annuities under the Civil Service Retirement Act; to the Post Office and Civil Service Committee.

-0-

COMMITTEE HEARINGS ANNOUNCEMENTS:

Aug. 28: Foreign aid authorization bill, conferees (exec).  
Foreign aid appropriations, S. Appropriations (exec).

oOo







the general education bill on Thurs., and the Mexican farm labor bill on Fri. He stated that Congress might be able to adjourn sine die "by the 14th or 15th of September, but my guess would be we will finish closer to the 1st of October!" pp. 16378-9

### HOUSE

15. FOREIGN AID. Received the conference report on S. 1983, the foreign aid authorization bill (H. Rept. 1088) (pp. 16510-32). As reported by the conferees, this bill includes the following provisions:

Establishes a development loan fund for use in making loans to underdeveloped nations and authorizes the appropriation of \$1.2 billion in fiscal year 1962 and up to \$1.5 billion in each of the next 4 fiscal years for this new development loan program.

Authorizes \$380 million for fiscal year 1962 for development grants and technical cooperation for aiding underdeveloped nations.

Exempts from the 50-50 cargo preference shipping requirements (for shipments on U. S. Flag vessels) the transportation between foreign countries of goods purchased with foreign currencies acquired under this bill or under Public Law 480 and exempts the shipment of fresh fruits and their products under this bill.

Prohibits use of funds authorized by the bill for the purchase of bulk commodities at prices higher than the prevailing market price in the U. S., adjusted for differences in transportation costs, quality, and terms of payment.

Requires that insofar as practicable surplus agricultural commodities to be furnished on a grant basis must be bought only in the U. S. except to the extent that they are not available here in sufficient quantities to meet emergency conditions.

Provides that, with respect to development loans, development grants and supporting assistance, funds in excess of \$100,000 cannot be obligated until engineering, financial, and other plans necessary to carry out the project have been completed and there is a reasonably firm estimate of the cost of the project to the U. S., and, in the case of water or related land resource construction project, plans must include a computation of benefits and costs made insofar as practicable in accordance with Budget Bureau procedures for such projects in the U. S.

Provides that the Secretary of the Treasury shall have responsibility for accounting and valuation with respect to foreign credits and foreign currencies owed to or owned by the U. S. and, in carrying out this responsibility, the Secretary shall issue regulations binding upon all agencies of the Government. Gives the Secretary sole authority to establish the exchange rates at which all foreign currencies or credits are to be used by all Government agencies. Requires each Government agency to report to the Secretary of the Treasury an inventory as of June 30, 1961, showing all foreign currencies on hand, and similar reports semiannually thereafter, for use of the Secretary in preparing consolidated reports to Congress.

Includes administrative provisions for carrying out the provisions of the bill, and provides for the repeal of the provisions of the Mutual Security Act of 1954, as amended, except for certain specified sections.

16. EDUCATION. By a vote of 170 to 242, the House refused to consider H. R. 8890, to amend Public Law 815 and Public Law 874, 81st Congress, so as to extend provisions for Federal assistance for schools in federally impacted areas an additional year, and to extend for 1 year the student loan program of title II of the National Defense Education Act of 1958. pp. 16452-3

Reps. Hiestand, Seely-Brown, Mathias, and Lindsay condemned present consideration of this bill. pp. 16508, 16509-10



17. WATERSHEDS. The Public Works Committee reported with amendments H. R. 3801, to authorize the Secretary of the Army and the Secretary of Agriculture to make joint investigations and surveys of watershed areas for flood prevention or the conservation, development, utilization, and disposal of water, and for flood control and allied purposes, and to prepare joint reports on such investigations and surveys for submission to the Congress (H. Rept. 1083). p. 16534

The Agriculture Committee approved two watershed projects--Big Reedy Creek, Ky.; and Cane Creek, Tenn. p. D787

18. FARM CREDIT. The Agriculture Committee voted to report (but did not actually report) S. 1927, to make a number of amendments to simplify and clarify the operations of institutions supervised by FCA, and (with amendments) S. 1040, to abolish the Federal Farm Mortgage Corporation. p. D787

19. LANDS. The Agriculture Committee voted to report (but did not actually report) S. 302, to authorize the appropriation of an additional \$2 million for the purchase of land within the boundaries of the Superior National Forest, Minn.; H. R. 4934, to authorize the Secretary of Agriculture to modify certain leases entered into for the provision of recreation facilities in reservoir areas; and (with amendments) H. R. 8520, to limit financial and technical assistance for drainage of certain wet lands. p. D787

20. WHEAT. The Agriculture Committee voted to report (but did not actually report) with amendments S. 1107, to exempt the production of durum wheat in portions of Modoc and Siskiyou Counties, Calif. (Tulelake area), from acreage allotments and marketing quota restrictions. p. D787

21. POULTRY. The Agriculture Committee voted to report (but did not actually report) H. R. 7866, to amend the Poultry Products Inspection Act to extend the application thereof to the Commonwealth of Puerto Rico. p. D787

22. GENERAL SUPPLY FUND. The Subcommittee on Government Activities of the Government Operations Committee voted to report to the full committee H. R. 8099, to remove the limitation on the maximum capital of the General Supply Fund." p. D787

23. PERSONNEL. Received from Interior a proposed bill "to amend section 7 of the Administrative Expenses Act of 1946, as amended, relating to travel expenses of civilian officers and employees assigned to duty posts outside the continental United States." p. 16533

The Armed Service Committee reported with amendments H. R. 8765, to amend and clarify the reemployment provisions of the Universal Military Training and Service Act (H. Rept. 1082). p. 16534

24. FOREIGN TRADE. Rep. Mathias inserted a letter from the Commerce Department regarding the sales of American surplus farm commodities to Communist nations. pp. 16508-9

Received from the Attorney General a draft of a proposed bill "to amend the Trading With the Enemy Act, as amended." p. 16533

The Ways and Means Committee voted to report (but did not actually report) with amendments H. R. 7692, to require certain new packages of imported articles to be marked to indicate the country of origin. p. D788

25. VIRGIN ISLANDS. Received from the Comptroller General a report on the review of certain activities of the Government of the Virgin Islands for the fiscal year 1960. p. 16533







By Rep. Yates, 131 to 144, to increase the funds for development grants from \$259 million to \$350 million. pp. 17027-30

By Rep. Jones, Mo., to provide that U. S. contributions to any international organization shall not exceed 50 percent of the total amount of contributions to such organization or program. pp. 17030-5

On a point of order by Rep. Hiestand, Title V appropriating \$20,000,000 for the Peace Corps was struck from the bill. p. 17040

8. WHEAT. The Agriculture Committee reported with amendments S. 1107, to exempt the production of durum wheat in portions of Modoc and Siskiyou Counties, Calif. (Tulelake area), from acreage allotments and marketing quota restrictions (H. Rept. 1111). p. 17064
9. FORESTRY. The Agriculture Committee reported without amendment S. 302, to authorize the appropriation of an additional \$2 million for the purchase of land within the boundaries of the Superior National Forest, Minn. (H. Rept. 1109). p. 17064
10. FEED GRAINS. Rep. Albert defended the feed grains program against recent criticism by Rep. Arends, saying, "it is apparent that had there been no program, feed grain prices today would be much lower than they are." pp. 17047-8
11. FARM CREDIT. The Agriculture Committee reported without amendment S. 1927, to ~~make a number of amendments to simplify and clarify the operations of institutions supervised by FCA (H. Rept. 1112), and with amendment S. 1040, to abolish the Federal Farm Mortgage Corporation (H. Rept. 1110).~~ p. 17064
12. PEACE CORPS. The Foreign Affairs Committee reported with amendments H. R. 7500 to provide for a Peace Corps to help the peoples of underdeveloped countries and areas in meeting their needs for skilled manpower (H. Rept. 1115). p. 17064
13. WATER COMPACTS. The Interior and Insular Affairs Committee reported with amendment H. R. 7855, granting the consent of Congress to an amendment to a compact ratified by the States of Louisiana and Texas relating to the waters of the Sabine River (H. Rept. 1113). p. 17064
14. PERSONNEL. Received from the Budget Bureau a proposed bill "to amend section 15 of the Administrative Expenses Act of 1946; to provide for regulation by the President of the employment of experts or consultants or organizations thereof;" to Government Operations Committee. p. 17064
15. WATERSHEDS. The "Daily Digest" states that the Subcommittee on Conservation and Credit of the Agriculture Committee approved the following watershed projects for full committee action: East Fork of Pond River, Ky.; Souhegan River, Mass. and N. H.; Ahoskie Creek, N. C.; Davids Creek, Iowa; Davis-Battle Creek, Iowa; Ryan Henschel, Iowa; Cane Creek, Okla.; Dunlap Creek, Pa.; Little Saltilla, Ga.; Tallahalla Creek, Miss.; Sarasota west coast, Florida; and Kickapoo Creek, Wis. pp. D807-8
16. FOREIGN RELATIONS. Received from the Secretary of State a report of gifts and bequests received and accepted by the U. S. National Commission for the United Nations Educational, Scientific, and Cultural Organization. p. 17064



ITEMS IN APPENDIX

17. FARMER-RETAILER. Extension of remarks of Sen. Keating inserting an article outlining an example of cooperation between the men who grow our food and those who sell it. p. A6951
18. TRANSPORTATION. Extension of remarks of Sen. Hartke stating that "our Nation's transportation system is in vital need of a major revamping," and inserting an article, "Commerce Secretary Hodges Ready To Tackle Study of Nation's Transport Problems." pp. A6954-5
19. PERSONNEL; FAS. Extension of remarks of Rep. Horan inserting an article paying tribute to "Doc" Motz and stating that "Perhaps more than any other, Fred Motz was responsible for the rebirth and revitalization of our Foreign Agricultural Service in 1954." pp. A6957-8
20. FOREIGN AID. Speech in the House by Rep. Dooley urging that reductions in foreign aid appropriations be restored. pp. A6962-3  
Speech in the House by Rep. Friedel in support of the conference report on the foreign aid authorization bill. p. A6973
21. FISH FLOUR. Extension of remarks of Rep. Keith inserting an article, "High-Protein Fish Flour From New Bedford Plant Is New Food For The World's Poor." pp. A6964-5
22. ELECTRIFICATION. Extension of remarks of Rep. Michel inserting a copy of a resolution from the Upper Colorado River Commission endorsing the proposal of the utility companies for transmitting power from the Colorado River storage project. pp. A6984-5

BILLS INTRODUCED

23. FOREIGN TRADE. H. R. 9036, by Rep. Derwinski, to prohibit exports to Communist countries; to Interstate and Foreign Commerce Committee.
24. VETERANS' BENEFITS. H. R. 9038, by Rep. Flood, to amend title 38, United States Code, to provide vocational rehabilitation education and training and loan guarantee benefits for veterans of service after January 31, 1955; to Veterans' Affairs Committee.
25. CREDIT. H. R. 9040, by Rep. Ryan, to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extensions of credit; to Banking and Currency Committee.
26. TRANSPORTATION. H. R. 9046, by Rep. Harris, to permit the application of the bulk commodity exemption when other commodities are concurrently transported in the same vessel; to Interstate and Foreign Commerce Committee.
27. INSECT CONTROL. H. R. 9047, by Rep. Berry, to amend the act of April 6, 1937, as amended, to provide for the effective control of grasshoppers and other insect pests on land idled under the conservation reserve program; to Agriculture Committee.
28. WOOL. H. R. 9049, by Rep. Fisher, to provide for the regulation by the Secretary of Agriculture of persons engaged in the business of core sampling and testing of wool; to Agriculture Committee.



## ABOLITION OF FEDERAL FARM MORTGAGE CORPORATION

---

SEPTEMBER 5, 1961.—Committed to the Committee of the Whole House on the  
State of the Union and ordered to be printed

---

Mr. COOLEY, from the Committee on Agriculture, submitted the  
following

### R E P O R T

[To accompany S. 1040]

The Committee on Agriculture, to whom was referred the bill  
(S. 1040) to abolish the Federal Farm Mortgage Corporation, and for  
other purposes, having considered the same, report favorably thereon  
with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 4, line 5, strike out "(12 U.S.C. 722)" and insert "(12 U.S.C.  
772)".

#### PURPOSE

The purpose of this bill is to abolish the Federal Farm Mortgage  
Corporation and turn its remaining assets over to the Secretary of  
the Treasury.

#### NEED FOR THE LEGISLATION

From 1939 until 1947, when the authority to make such loans  
expired, the Federal Farm Mortgage Corporation provided the funds  
for the making of so-called land bank commissioner loans. These  
were loans made to farmers on somewhat more liberal terms as to  
real property security than the Federal land banks were permitted to  
make under their authority. The authority to make such loans was

permitted to expire in 1947 because loans of this type are now available to farmers either through the Federal land banks or the Farmers Home Administration. The Corporation has not been active since that time and this bill will simply complete the liquidation of an obsolete and unnecessary Government corporation.

#### COST

There will be no cost to the Federal Government as a result of this legislation and, on the contrary, some \$2,385,714, representing the Corporation's remaining assets, will be covered into the general funds of the Treasury.

#### DEPARTMENTAL APPROVAL

Approval of the legislation is recommended both by the Farm Credit Administration, which now administers the loans formerly made from Corporation funds, and by the Department of Agriculture. The letters from these two agencies recommending enactment of the bill are contained in the Senate report on S. 1040 which is attached hereto and made a part of this report.

The amendments to the bill recommended by the Farm Credit Administration were made in the Senate.

[S. Rept. 358, 87th Cong., 1st sess.]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1040) to abolish the Federal Farm Mortgage Corporation, and for other purposes, having considered the same, report thereon with a recommendation that it do pass with an amendment.

This bill would abolish the Federal Farm Mortgage Corporation which has been in liquidation since 1947. Its remaining assets would be transferred to the Secretary of the Treasury.

The committee amendment, which is in the nature of a substitute, incorporates in the bill a number of technical amendments recommended by the Farm Credit Administration, designed to (1) aid in perfecting the record title to lands in which the Corporation has a record interest, (2) repeal obsolete provisions providing for land bank commissioner loans, (3) prevent repeal of section 5 of the Federal Farm Mortgage Corporation Act from being construed as reviving bond issuance authority which section 5 terminated, and (4) make drafting corrections, such as those necessary to designate the provisions amended or repealed correctly.

The bill and the changes made by the committee amendment are fully described in the attached report from the Farm Credit Administration.

Enactment of the bill would not result in any additional Federal expenditure.

## DEPARTMENTAL VIEWS

FARM CREDIT ADMINISTRATION,  
Washington, D.C., March 29, 1961.

HON. ALLEN J. ELLENDER,  
*Chairman, Committee on Agriculture and Forestry,*  
*U.S. Senate.*

DEAR MR. CHAIRMAN: This is in reply to your request of March 1, 1961, for a report on S. 1040, a bill to abolish the Federal Farm Mortgage Corporation, and for other purposes. The bill would abolish the Federal Farm Mortgage Corporation immediately (sec. 1(a)); transfer its remaining assets to the Secretary of the Treasury (sec. 1(b)); direct that the cash and moneys collected on such assets be deposited in the general fund of the Treasury as miscellaneous receipts (sec. 1(c)); permit suits commenced by or against the Corporation to be maintained by or against the Secretary of the Treasury (sec. 2); and repeal or amend certain laws which established or referred to the Corporation (sec. 3).

Our major suggestion is that the bill should include two sentences set out later in the report which are designed to aid in perfecting title of record in the true owners to any interest in or to real property which the county records may still show to be outstanding in the Corporation notwithstanding all interests of the Corporation in or to real property have been liquidated or transferred. One purpose is to confirm in the Federal land banks and the United States of America the title to the former interests of the Corporation in real property which were sold or transferred to them. Another purpose is to provide for reasonably convenient curative action to perfect record title for the benefit of others, after the Corporation is dissolved, in cases where some interest in real property appears of record to be outstanding in the Corporation because of error or failure to file a release, assignment, or deed.

From 1933, when the Land Bank Commissioner loans were first authorized, until 1947, when the authority to make such loans expired, some 680,000 Land Bank Commissioner loans in the total amount of \$1.2 billion were made to farmers on the security of their farm property. The terms of the loans varied from 10 to 30 or so years, and some have maturities extending into the 1970's. When the Federal Farm Mortgage Corporation was established in 1934, the outstanding Land Bank Commissioner loans were transferred to it and thereafter the loans were made in the name of the Land Bank Commissioner on behalf of the Federal Farm Mortgage Corporation, and the mortgages securing the loans so recited. The mortgages were recorded in the various county record offices in the States and were satisfied of record as the loans were repaid. If a borrower defaulted on his loan and it became necessary to foreclose the mortgage, the Corporation acquired title to the mortgaged farm which it later deeded to a purchaser, usually reserving a portion of the mineral interests when it did so. Such transactions also were recorded in the county record or court offices. All of such lending and related activities in their respective districts were handled by the Federal land banks as agents for the Land Bank Commissioner and the Federal Farm Mortgage Corporation. Our experience with the liquidation of the joint stock



land banks foretells that there will be instances in the future, related to the Federal Farm Mortgage Corporation transactions, in which it will be convenient and desirable if defects in the record title can be cured by a corrective release, assignment, or quitclaim, without resorting to the more cumbersome and expensive procedure of an action to quiet title.

Except for the mineral interests involved in two pending court actions, the Corporation does not own any interest in or to real estate anywhere in the country, notwithstanding a county record may still show some such interest to be outstanding in the Corporation. As of June 30, 1955, all assets then held by the Corporation in each farm credit district as a result of the Land Bank Commissioner loans, except cash, accounts receivable, and reserved mineral interests, were sold to the Federal land bank of the district. This was done under authority of paragraph Twentieth of section 13 of the Federal Farm Loan Act (12 U.S.C. 781 Twentieth), as added by the act of June 1, 1955 (69 Stat. 81). It is our understanding that assignments have been placed of record as to most of the mortgages securing loans purchased by the land banks. Other such mortgages, though, may continue to appear of record as held by the Corporation. In the latter cases, the intention of the land bank was to wait until the loans were paid off according to their terms and then satisfy the mortgages of record in the name of the Corporation, which the banks are presently authorized to do, as agents for the Corporation. With the Corporation about to be dissolved, however, assignments of such mortgages from the Corporation to the bank will need to be placed of record before the dissolution unless the proposed legislation should make it unnecessary.

As of or since September 6, 1957, all the remaining mineral interests of the Corporation which were reserved when acquired farms were sold, and which were not sold to the surface owners or others, were transferred to the United States of America to be administered by the Secretary of the Interior under the mineral laws of the United States, except for the mineral interests involved in two pending court actions. The transfer of the mineral interests was in accord with the act of September 6, 1950 (64 Stat. 769, 7 U.S.C. 1036), and all such transfers were recorded.

To clarify the record as much as practicable with respect to such bulk sales and transfers, we suggest that the bill should confirm record title in the Federal land banks to the Land Bank Commissioner loans and related assets purchased by such banks, and confirm record title in the United States of America to the reserved mineral interests. With that done, the curative authority, after dissolution of the Corporation, would be limited to any interest in real estate, other than reserved mineral interests, which appears of record to be in the Corporation. Because the Federal land banks acted as the agent of the Land Bank Commissioner and the Federal Farm Mortgage Corporation in their many transactions, and because the Federal land banks purchased all interests of the Corporation in real estate in their respective districts, except the reserved mineral interests, it seems to us logical and most convenient to the members of the public who will be affected to give such curative authority to the Federal land banks.

The suggestions thus far made for the bill could be adopted by including therein specific provisions substantially as follows:

*As to property of record in the States (other than minerals)*

"All right, title, and interest in or to real property other than reserved mineral interests which may appear of public record in any farm credit district to be in the Land Bank Commissioner or the Federal Farm Mortgage Corporation are hereby confirmed to be in the Federal land bank of said district, and said bank is hereby authorized in its own name or in the name of the Federal Farm Mortgage Corporation to execute any assignment, release, satisfaction, or other instrument as may be necessary or appropriate in connection therewith to perfect title of record in the true owners."

*As to mineral interests*

"All right, title, and interest to any reserved mineral interests of the Federal Farm Mortgage Corporation which have not been disposed of otherwise by the Federal Farm Mortgage Corporation are hereby confirmed to be in the United States of America to be administered by the Secretary of the Interior under the mineral laws of the United States."

The latter provision would include the mineral interests of the Corporation involved in the two court actions. Any reservations of fissionable materials made by the Federal Farm Mortgage Corporation pursuant to Executive Order 9701 (March 4, 1946), if not otherwise disposed of by the Corporation earlier, would seem to have been released by section 68(b) of the Atomic Energy Act of 1954, as amended by section 3 of Public Law 85-681, approved August 19, 1958 (42 U.S.C. 2098(b)). Both of the sentences suggested above could be inserted in section 1 of S. 1040 as indicated in the proposed amendment enclosed herewith.

The present assets of the Federal Farm Mortgage Corporation, which are to be transferred to the Secretary of the Treasury under the bill, consist of cash on hand, \$194,557.40, and the promissory notes of the Federal land banks, for \$2,191,156.94, given to the Corporation in payment for the loan and related assets of the Corporation which were purchased by the land banks. These notes do not bear interest and are payable on June 30 of each year, the last of them being payable in 1965. The cash on hand and the collections on the notes are to be deposited in the general fund of the Treasury as miscellaneous receipts. Already deposited with the Treasury Department in symbol accounts 17-681 and 19-676 is \$216,119.70, as of February 28, 1961, for the payment of matured principal and interest on bonds of the Corporation which have not been presented for payment, and it is assumed that the money in such symbol accounts would continue available for payment of the bonds as they are presented.

Our further suggestions relate to section 3 of the bill.

*Section 3(a).*—The Federal Farm Mortgage Corporation Act consisted of 18 sections, some of which established and specified the powers of the Corporation, and other sections which amended or affected the application of other laws. The preferred approach is considered to be, therefore, to select the sections of the Federal Farm Mortgage Corporation Act to be repealed and then decide on any changes which should now be made in the other statutes amended or affected by the



remaining sections of the Federal Farm Mortgage Corporation Act. On that basis, we would have section 3(a) read as follows:

"SEC. 3. (a) Sections 1, 2, 3, 4, 5, 6, 12, 17, and 18 of the Federal Farm Mortgage Corporation Act, as amended (12 U.S.C. 1020, 1020a-1020h, 992a, 723(f)), are hereby repealed."

Insofar as appropriate and necessary, the provisions of other laws amended or affected by the sections of the Federal Farm Mortgage Corporation Act which are not repealed would then be dealt with later in section 3 of the bill. Also, since section 5 of the Federal Farm Mortgage Corporation Act, which curtailed the authority of the Federal land banks to issue bonds guaranteed by the Government as to interest, is being repealed, the authority to issue such bonds so guaranteed, which now is obsolete, should also be repealed. This could be done with an additional provision in section 3 of the bill as follows:

"(w) The last paragraph of section 32 of the Federal Farm Loan Act, as amended (12 U.S.C. 992, 993), is hereby repealed."

*Section 3(b).*—With the abolition of the Federal Farm Mortgage Corporation, the now obsolete provisions under which the Land Bank Commissioner loans were made from 1933 to 1947 should be repealed in their entirety with the exception of one sentence. The bill as now drawn would repeal only two sentences and strike out references to the Federal Farm Mortgage Corporation in two other sentences of such provisions. The more complete repeal could be accomplished by amending section 3(b) to read as follows:

"(b) Sections 32 (except the fourteenth sentence thereof), 33, 34, and 35 of the Emergency Farm Loan Act of 1933, as amended (12 U.S.C. 1016-1019, except 1016(h), second sentence), are hereby repealed, and the fourteenth sentence of such section 32 (12 U.S.C. 1016(h), second sentence) is hereby amended by deleting therefrom the words 'such' and 'or hereafter'."

As to instruments heretofore executed by a Federal land bank on behalf of the Land Bank Commissioner or the Federal Farm Mortgage Corporation, many of which are now of record, the 14th sentence, as amended, would continue the presumption that they were duly authorized.

*Section 3(f).*—It is suggested that the reference be to the "last" instead of the "thirteenth" paragraph of section 12 of the Federal Farm Loan Act. Also, "Federal land bank associations" should be substituted for "farm loan associations".

*Section 3(g).*—This subsection might preferably begin "Paragraph Eighth" instead of "The eighth paragraph". Also, while the codifiers presumably will insert a heading for the amended provision, "Buying and selling obligations of the United States.—", the heading should be deleted from the bill since the basic law does not have such headings.

*Section 3(h).*—We would substitute "paragraphs Fifteenth, Sixteenth, and Twentieth thereof" for "the fifteenth, sixteenth, and twentieth paragraphs thereof".

*Section 3(k).*—It is suggested that "and 'the Land Bank Commissioner,' " be inserted immediately before the period, as any lending by the Land Bank Commissioner, no longer authorized since 1947, was on behalf of the Federal Farm Mortgage Corporation.

The proposed amendment enclosed herewith would take in all of the suggestions made in this report as to S. 1040.



Subject to the foregoing suggestions, and as directed by the Federal Farm Credit Board, the Farm Credit Administration favors enactment of S. 1040. The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Very truly yours,

R. B. TOOTELL, *Governor*.

### PROPOSED AMENDMENT OF S. 1040

Page 1, line 6, change "(b)" to "(d)".

Page 1, between lines 7 and 8, insert the following:

(b) All right, title, and interest in or to real property other than reserved mineral interests which may appear of public record in any farm credit district to be in the Land Bank Commissioner or the Federal Farm Mortgage Corporation are hereby confirmed to be in the Federal land bank of said district, and said bank is hereby authorized in its own name or in the name of the Federal Farm Mortgage Corporation to execute any assignment, release, satisfaction, or other instrument as may be necessary or appropriate in connection therewith to perfect title of record in the true owners.

(c) All right, title, and interest to any reserved mineral interests of the Federal Farm Mortgage Corporation which have not been disposed of otherwise by the Federal Farm Mortgage Corporation are hereby confirmed to be in the United States of America to be administered by the Secretary of the Interior under the mineral laws of the United States.

Page 1, line 8, change "(b)" to "(d)".

Page 2, line 3, change "(c)" to "(e)".

Page 2, lines 14 through 16, substitute the following:

SEC. 3. (a) Sections 1, 2, 3, 4, 5, 6, 12, 17, and 18 of the Federal Farm Mortgage Corporation Act, as amended (12 U.S.C. 1020, 1020a-1020h, 992a, 723(f)), are hereby repealed.

Page 2, lines 17 through 24, substitute the following:

(b) Sections 32 (except the fourteenth sentence thereof), 33, 34, and 35 of the Emergency Farm Loan Act of 1933, as amended (12 U.S.C. 1016-1019, except 1016(h), second sentence), are hereby repealed, and the fourteenth sentence of such section 32 (12 U.S.C. 1016(h), second sentence) is hereby amended by deleting therefrom the words "such" and "or hereafter".<sup>1</sup>

Page 3, line 13, substitute "last" for "thirtecnth".

Page 3, line 16, substitute "Federal land bank associations" for "farm loan associations".

Page 3, line 20, substitute "Paragraph Eighth" for "The eighth paragraph".

Page 3, lines 23 and 24, strike out "Buying and selling obligations of the United States.—"

<sup>1</sup> The Farm Credit Administration subsequently informally advised that it would be technically more correct to leave "or hereafter" in sec. 32 and the committee amendment does not strike these words.

Page 4, lines 2 and 3, substitute "paragraphs Fifteenth, Sixteenth, and Twentieth thereof" for "the fifteenth, sixteenth, and twentieth paragraphs thereof".

Page 4, line 15, immediately preceding the period insert "and 'the Land Bank Commissioner,' ".

Page 5, following line 24, add a subsection as follows:

(w) The last paragraph of section 32 of the Federal Farm Loan Act, as amended (12 U.S.C. 992, 993), is hereby repealed.

DEPARTMENT OF AGRICULTURE,  
Washington, D.C., March 27, 1961.

HON. ALLEN J. ELLENDER,  
*Chairman, Committee on Agriculture and Forestry,*  
*U.S. Senate.*

DEAR SENATOR ELLENDER: This is in reply to your request of February 24, 1961, for a report on S. 1040, a bill to abolish the Federal Farm Mortgage Corporation, and for other purposes.

The bill would abolish the Federal Farm Mortgage Corporation and terminate the powers, duties, functions, and authority of the Corporation. All cash, accounts receivable, and other assets owned by the Federal Farm Mortgage Corporation and all authority of the Corporation relating to the collection of notes receivable from the Federal land banks would be transferred to the Secretary of the Treasury. Numerous technical changes would be made in related legislation.

The Department has no direct interest in the bill because the Federal Farm Mortgage Corporation is under the jurisdiction of the Farm Credit Administration. For this reason, the Department is not commenting on the technical aspects of S. 1040, but we do concur with the general objectives of the bill.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

#### CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

#### THE FEDERAL FARM LOAN ACT

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the short title of this Act shall be "The Federal Farm Loan Act."*

*	*	*	*	*	*	*
SEC. 7.	*	*	*			
*	*	*	*	*	*	*

Each borrower who obtains a direct loan from a Federal land bank shall subscribe and pay for stock in such bank in the sum of \$5 for each \$100 or fraction thereof borrowed. Such stock shall be held by such Federal land bank as collateral security for the loan of the borrower and shall participate in all dividends. Upon full payment of the loan such stock shall, if still outstanding, be canceled at par, or, in the event that such stock shall have become impaired, at the estimated value thereof as approved by the Land Bank Commissioner, and the proceeds thereof shall be paid to the borrower. [Any borrower's interest in such stock may be transferred or hypothecated, by him or by operation of law, to the Federal Farm Mortgage Corporation.]

\* \* \* \* \*  
SEC. 12. \* \* \* \* \*  
\* \* \* \* \*

Amounts transmitted to Federal land bank associations by Federal land banks to be loaned to its members shall, at the option of the bank, be in current funds [or Federal Farm Mortgage Corporation bonds,] or, at the option of the borrower, in farm loan bonds.

\* \* \* \* \*  
SEC. 13. \* \* \* \* \*  
\* \* \* \* \*

Eighth. To buy and sell United States Government obligations direct or fully guaranteed; and to purchase and acquire from the Federal Farm Mortgage Corporation notes and mortgages representing loans made by the Land Bank Commissioner pursuant to section 32 of the Emergency Farm Mortgage Act of 1933, as amended (title 12, U.S.C. 1016), upon farm property situated in the farm credit district in which said bank is located, and purchase-money mortgages and contracts for the sale of farms held by the Federal Farm Mortgage Corporation in connection with the sale of farm property situated in such district: *Provided*, That no such note and mortgage, purchase-money mortgage, or contract shall be purchased pursuant hereto unless (1) the unpaid balance of the indebtedness represented or secured thereby, together with any indebtedness to the Federal land bank secured by a prior mortgage on the property, does not exceed 65 per centum of the normal value of the farm as determined upon appraisal made pursuant to the Federal Farm Loan Act; (2) the borrower acquires such stock in a Federal land bank association, in addition to any available stock which he may already own, as may be necessary to constitute an amount equal to one share of stock for each \$100 of the unpaid balance of the indebtedness represented or secured by the note and mortgage, purchase-money mortgage, or contract being purchased and acquired, together with the indebtedness secured by any prior lien on the property in favor of the Federal land bank; (3) the Federal land bank association in which such stock is held elects the borrower to membership, if not already a member, and agrees to be liable for the indebtedness secured by the note and mortgage, purchase-money mortgage, or contract being purchased and acquired; and (4) the land bank takes such action, if any, as may be necessary to reduce the rate of interest on the indebtedness secured by the mortgage, purchase-money mortgage, or contract acquired



or purchased to the same rate of interest the bank is charging on first-mortgage loans which it is then making].

\* \* \* \* \*

[Fifteenth. To exchange farm loan bonds for Federal Farm Mortgage Corporation bonds of equal face value.

[Sixteenth. To exchange Federal Farm Mortgage Corporation bonds for farm loan bonds of equal face value.]

\* \* \* \* \*

[Twentieth. Without regard to any limitations or restrictions of this Act, to purchase all assets, except cash, accounts receivable, and reserved mineral interests, held by the Federal Farm Mortgage Corporation as a result of loans made on or before July 1, 1947, in the farm credit district in which said bank is situated and to assume the liabilities of said Corporation for future payment funds of borrowers and trust accounts applicable to said assets. The purchase price of notes and mortgages, purchase money mortgages, and real estate sales contracts shall be equal to the total of the unpaid balances on such items and accrued interest thereon at the date as of which purchase is made, less the total of the liabilities of the Corporation being assumed by the bank as herein provided. The purchase price of real estate, sheriffs' certificates, loans called for foreclosure, loans in suspense, judgments, and any other assets eligible for purchase under this paragraph but not specifically identified herein shall be equal to the fair market value of the assets as determined by agreement. The total consideration for the purchase shall be payable over a period of not more than ten years from the date as of which purchase is made, and upon such terms as shall be agreed upon through negotiation with the Board of Directors of the Corporation.]

\* \* \* \* \*

SEC. 22. \* \* \*

\* \* \* \* \*

Amortization and other payments on the principal of first mortgages held by a farm loan registrar as collateral security for the issue of farm loan bonds shall constitute a trust fund in the hands of the Federal land bank or joint stock land bank receiving the same, and shall be applied or employed as follows:

In the case of a Federal land bank—

(a) To pay off farm loan bonds issued by or in behalf of said bank as they mature.

(b) To purchase at or below par Federal farm loan bonds.

(c) To loan on first mortgages on farm lands within the farm credit district, qualified under this chapter as collateral security for an issue of farm loan bonds.

(d) To purchase United States Government bonds.

[ (e) To purchase Federal Farm Mortgage Corporation bonds. ]

In the case of a joint stock land bank—

(a) To pay off farm loan bonds issued by said bank as they mature.

(b) To purchase at or below par farm loan bonds.

(c) To loan on first mortgages qualified under section sixteen of this Act.

(d) To purchase United States Government bonds.

[(e) To purchase Federal Farm Mortgage Corporation bonds.]

\* \* \* \* \*  
SEC. 32. \* \* \*

\* \* \* \* \*

【Until such time as the Land Bank Commissioner determines that Federal farm loan bonds (other than those issued under this paragraph) are readily salable in the open market at a yield not in excess of 4 per centum per annum, but in no case more than two years after this paragraph takes effect, Federal land banks may issue farm loan bonds as authorized under this Act, for the purpose of making new loans, or for purchasing mortgages or exchanging bonds for mortgages as provided in paragraph "Second" of section 13 of this Act. The aggregate amount of the bonds issued under this paragraph shall not exceed \$2,000,000,000, and such bonds shall be issued in such denominations as the Land Bank Commissioner shall prescribe, shall bear interest at a rate not in excess of 4 per centum per annum, and shall be fully and unconditionally guaranteed as to interest by the United States, and such guaranty shall be expressed on the face thereof. In the event that it shall appear to the Land Bank Commissioner that the issuing bank or banks will be unable to pay upon demand, when due, the interest on any such bonds, the Secretary of the Treasury shall, upon the request of the Commissioner, pay the amount thereof, which is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated. Upon the payment of such interest by the Secretary of the Treasury the amount so paid shall become an obligation to the United States of the issuing bank or banks and shall bear interest at the same rate as that borne by the bonds upon which the interest has been so paid. After the expiration of one year from the date this paragraph takes effect, if in the opinion of the Land Bank Commissioner any part of the proceeds of the bonds authorized to be issued under this paragraph is not required for the purpose of making new loans or for purchasing mortgages or exchanging bonds for mortgages as herein provided, such bonds may be issued within the maximum limit herein specified for the purpose of refinancing any outstanding issues of Federal farm loan bonds; but no such bonds shall be issued after two years from the date this paragraph takes effect for the purpose of such refinancing. Any borrower who obtains a loan from a Federal land bank after the date this paragraph takes effect may, at any time after the expiration of five years from the date such loan was made, tender to such bank on any regular installment date, bonds issued under this paragraph in an amount not to exceed the unpaid principal of his loan, and the bonds so tendered shall be accepted by the bank at par in payment of any part of such unpaid principal.】

\* \* \* \* \*



## EMERGENCY FARM MORTGAGE ACT OF 1933

## TITLE II—AGRICULTURAL CREDITS

\* \* \* \* \*

SEC. 32. [The Reconstruction Finance Corporation is authorized and directed to allocate and make available to the Land Bank Commissioner the sum of \$200,000,000, or so much thereof as may be necessary, to be used for the purpose of making loans as hereinafter provided to any farmer, secured by a first or second mortgage upon the whole or any part of the farm property, real or personal, including crops, of the farmer. The amount of the mortgage given by any farmer, together with all prior mortgages or other evidences of indebtedness secured by such farm property of the farmer, shall not exceed 75 per centum of the normal value thereof, as determined upon an appraisal made pursuant to the Federal Farm Loan Act, as amended; nor shall a loan in excess of \$7,500, be made to any one farmer. For the purposes of this section, farm property may be valued at an amount representing a prudent investment, consistent with community standards and rentals, if (1) the person occupying the property is not entirely dependent upon farm income for his livelihood but receives a part of his income from other dependable sources, and (2) the farm income from the property, together with earnings from other dependable sources ordinarily available in the community to a person operating such property, would be sufficient to support his family, to pay operating expenses and fixed charges, and to discharge the interest and amortization payments on the loan. Every mortgage made under this section shall contain an agreement providing for the repayment of the loan on an amortization plan by means of a fixed number of annual or semiannual installments, sufficient to cover (1) interest on unpaid principal at a rate of 1 per centum per annum higher than the rate on loans through Federal land bank associations made at the same time by the Federal land bank in the farm credit district in which the security for the loan under this section is located: *Provided, however,* That loans guaranteed under title III of the Servicemen's Readjustment Act of 1944 may be made at such lower rate as may be necessary to qualify them for such guaranty and (2) such payments equal in amount to be applied on principal as will extinguish the debt within an agreed period of not more than ten years or, in the case of a first or second mortgage secured wholly by real property within an agreed period no greater than that for which loans may be made under the Federal Farm Loan Act, as amended, from the date the first payment on principal is due: *Provided,* That when in the judgment of the Land Bank Commissioner conditions justify it, any mortgage made under this section may provide that during the first three years the loan is in effect payments of interest only may be required if the borrower shall not be in default with respect to any other condition or covenant of his mortgage. The instruments under which each loan under this section is made and security given therefor shall provide that if at any time it shall appear to the lender that the borrower may be able to obtain a Federal land bank loan on the mortgaged property, the borrower shall, on request of the lender, apply for a Federal land bank loan to pay off the loan under this section, and shall accept such loan as may be offered to him by the Federal land bank, if sufficient in amount



to pay the loan under this section and pay for any stock which it is necessary for him to purchase in obtaining the loan from the Federal land bank. No loan shall be made under this section unless the holder of any prior mortgage or instrument of indebtedness secured by such farm property arranges to the satisfaction of the Land Bank Commissioner to limit his right to proceed against the farmer and such farm property for default in payment of principal. Loans may be made under this section for any of the purposes for which Federal land banks are authorized by law to make loans, and for the following additional purpose, and none other: Refinancing, in connection with proceedings under chapter VIII of the Bankruptcy Act of July 1, 1898, as amended, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan. The provisions of paragraph "Ninth" of section 13 of the Federal Farm Loan Act, as amended (relating to charges to applicants for loans and borrowers from the Federal land banks), shall, so far as practicable, apply to loans made under this section. As used in this section, (1) the term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations or livestock raising, and includes a personal representative of a deceased farmer; (2) the term "person" includes an individual or a corporation engaged in the raising of livestock; and (3) the term "corporation" includes any incorporated association; but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the land to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 per centum in value and number of shares of the stock of the corporation is owned by the individuals personally actually so engaged, and (B) unless the owners of at least 75 per centum in value and number of shares of the stock of the corporation assume personal liability for the loan. No loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for. Until July 1, 1947, the Land Bank Commissioner shall, in his name, make loans under this section on behalf of the Federal Farm Mortgage Corporation, and may make such loans in cash or in bonds of the corporation, or if acceptable to the borrower, in consolidated farm loan bonds; but no such loans shall be made by him after July 1, 1947, except for the purpose of refinancing loans previously made by him under this section. As much as may be necessary of the assets of the corporation, including the bonds (and proceeds thereof) issued under section 4 of the Federal Farm Mortgage Corporation Act, may be used for the purposes of this section. Any Federal land bank, when duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation, shall have the power to execute any instrument relating to any mortgage taken to secure a loan made or to be made under this section, or relating to any property included in any such mortgage, or relating to any property acquired by the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation.】 Any [such] instrument

heretofore or hereafter executed on behalf of the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation by a Federal land bank, through its duly authorized officers, shall be conclusively presumed to have been duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation.

[Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944, and shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 1, 1944, and prior to July 1, 1945. Notwithstanding the interest rate provided for in so-called purchase-money mortgages and real estate sales contracts taken by the Federal Farm Mortgage Corporation, the rate of interest payable on such mortgages and contracts shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on and after July 1, 1942, and prior to July 1, 1944.]

#### [REGULATIONS

[SEC. 33. The Land Bank Commissioner is authorized to make such rules and regulations, and to appoint, employ, and fix the compensation of such officers, employees, attorneys, and agents as may be necessary to carry out the purposes of this title and to make the relief contemplated by this title immediately available, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States: *Provided*, That no salary or compensation in excess of \$10,000 shall be paid to any person employed under the terms of the foregoing section.]

#### [FACILITIES OF FEDERAL LAND BANKS AND FEDERAL LAND BANK ASSOCIATIONS MADE AVAILABLE

[SEC. 34. The Federal land banks and the Federal land bank associations are authorized, upon request of the Land Bank Commissioner, to make available to him their services and facilities to aid in administering the provisions of this title.]

#### [PENALTIES

[SEC. 35. Any person who shall knowingly make any material false representation for the purpose of obtaining any loan under part 3 of this title, or in assisting in obtaining any such loan, shall, upon conviction thereof, be fined not more than \$1,000, or imprisoned not more than six months, or both.]



## FARM CREDIT ACT OF 1933

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### TITLE I

SECTION 1. This Act shall be known as the "Farm Credit Act of 1933."

\* \* \* \* \*

SEC. 62. The Central Bank for Cooperatives, the Production Credit Associations, [the Federal Farm Mortgage Corporation,] and Banks for Cooperatives, organized under this Act, when designated for that purpose by the Secretary of the Treasury, shall act as fiscal agents of the United States Government and when acting as such shall perform such duties as shall be prescribed by the Secretary of the Treasury.

\* \* \* \* \*

## THE FEDERAL FARM MORTGAGE CORPORATION ACT

AN ACT To provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* [That there is hereby established a corporation to be known as the "Federal Farm Mortgage Corporation", hereinafter in this Act referred to as the "corporation." The principal office of the corporation shall be located in the District of Columbia and the management of the corporation shall be vested in a board of directors consisting of the Secretary of the Treasury, or an officer of the Treasury designated by him, the Governor of the Farm Credit Administration, hereinafter in this Act referred to as the "Governor", and the Land Bank Commissioner. The directors shall receive no additional compensation for their services as directors of the corporation, but may be allowed actual necessary traveling and subsistence expenses when engaged in the business of the corporation outside of the District of Columbia. The Governor shall be the chairman of the board of directors. The directors shall have power to adopt such bylaws, rules, regulations, and amendments thereto as they deem necessary for the conduct of the business of the corporation authorized under this Act. The directors shall have power, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation and duties of such agents, officers, and employees of the corporation as may be necessary to carry out the powers and duties conferred upon the corporation by this Act, to require bonds of them and fix the penalties thereof and dismiss them at pleasure, and to prescribe the manner in which the obligations of the corporation shall be incurred and its expenses allowed and paid, but the rates of compensation of such agents, officers, and employees of the corporation shall not exceed the rates of compensation prescribed for comparable duties by the Classification Act of 1949, as amended.]



【SEC. 2. The corporation shall have succession until dissolved by Act of Congress; shall have power to sue and be sued in any court, to adopt and use a corporate seal, to make contracts, and to acquire, hold, and dispose of real and personal property necessary and incident to the conduct of its business; and shall have such other powers as may be necessary and incident to carrying out its powers and duties under this Act. The corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The corporation, with the consent of any board, commission, independent establishment, or executive department of the Government, may avail itself of the use of information, services, facilities, officers, agents, and employees thereof, in carrying out the provisions of this Act.

【SEC. 3. The capital of the corporation shall be in the sum of \$200,000,000, which shall be subscribed by the Governor on behalf of the United States in such amounts and at such times as he deems necessary for the purposes of the corporation. For the purpose of such capital subscription, the funds and proceeds thereof made available to the Land Bank Commissioner under section 32 of the Emergency Farm Mortgage Act of 1933 and the mortgages taken by the Commissioner and the credit instruments secured thereby are hereby transferred to the corporation. The Federal Farm Mortgage Corporation is authorized to repay to the Secretary of the Treasury on behalf of the United States from time to time such portions of the amounts subscribed to the capital stock of the Corporation as are found by the board of directors to be in excess of the capital necessary to enable the Corporation to carry out its functions as authorized by law. The proceeds of such repayments shall be held in the Treasury of the United States as a fund available for subscription, by the Governor on behalf of the United States with the approval of the Secretary of the Treasury, to the capital of the Corporation when, in the judgment of the directors of the Corporation, additional subscriptions to its capital are necessary.

【SEC. 4. (a) With the approval of the Secretary of the Treasury, the corporation is authorized to issue and have outstanding at any one time bonds in an aggregate amount not exceeding \$2,000,000,000. Such bonds shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices, as may be prescribed by the corporation, with the approval of the Secretary of the Treasury. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is

authorized to purchase any bonds of the corporation issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Loan Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of the corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the corporation shall be treated as public debt transactions of the United States. No such bonds shall be issued in excess of the assets of the Corporation, including the assets to be obtained from the proceeds of such bonds, but a failure to comply with this provision shall not invalidate the bonds or the guaranty of the same. The corporation shall have power to purchase such bonds in the open market at any time and at any price.

On such terms and conditions as may be agreed upon, the corporation may exchange such bonds, upon application of any Federal land bank for consolidated farm loan bonds of equal face value issued under the Federal Farm Loan Act, as amended, and may exchange such consolidated farm loan bonds held by it for bonds of the corporation of equal face value.

[(b) The corporation is further authorized to purchase from time to time, for cash, such consolidated farm loan bonds at such prices and upon such terms as may be approved by the board of directors of the corporation; to make loans to Federal land banks and joint stock land banks on the security of real estate mortgages, sheriff's certificates, sales contracts and real estate, upon such terms and conditions as shall be prescribed by the board of directors of the corporation: *Provided, however,* That loans outstanding to joint stock land banks under this subsection shall not at any one time exceed in the aggregate \$10,000,000; to make loans to Federal land banks on the security of consolidated farm loan bonds; and to invest its funds in mortgage loans made under section 32 of the Emergency Farm Mortgage Act of 1933, as amended.

[When in the judgment of the directors conditions justify it, the corporation shall have power to extend, in whole or in part, any unpaid obligation under the terms of any mortgage, and to accept payment of any such obligation together with interest thereon, at a rate not exceeding 5 per centum per annum, during such period and in such amounts as may be agreed upon at the date of making such extension. The Corporation is authorized and empowered to sell and assign, without recourse and without warranty, its notes and mortgages representing loans made by the Land Bank Commissioner pursuant to section 32 of the Emergency Farm Mortgage Act of 1933, as amended (title 12 U.S.C. 1016), to the Federal land bank located in the farm credit district in which the mortgaged farm properties are situated and to sell and assign in like manner purchase money mortgages and contracts for the sale of farms held by the Federal Farm Mortgage Corporation in connection with the sale of farm property situated in such district.

[(c) In order to furnish bonds for delivery by the Federal Farm Mortgage Corporation, the Secretary of the Treasury is hereby authorized to prepare suitable bonds in such form, subject to the pro-



visions of this Act, as the board of directors may approve, such bonds when prepared to be held in the Treasury subject to delivery upon order of the corporation. The engraved plates, dies, bedpieces, and so forth, executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The corporation shall reimburse the Secretary of the Treasury for any expenditures made in the preparation, custody, and delivery of such bonds.

[SEC. 5. After ninety days after the enactment of this Act, no Federal land bank shall issue any bonds under the provisions of the last paragraph of section 32 of the Federal Farm Loan Act, as amended, subject to the guarantee of interest on such bonds by the United States except for the purpose of refinancing any bond which is or has been issued subject to such guarantee of interest.

[SEC. 6. Direct loans made under section 7 of the Federal Farm Loan Act, as amended (U.S.C., Sup. VII, title 12, sec. 723), may, at the option of the Federal land bank, be made in bonds of the Federal Farm Mortgage Corporation.]

SEC. 7. The thirteenth paragraph of section 12 of the Federal Farm Loan Act, as amended (U.S.C., Sup. VII, title 12, sec. 772), is amended to read as follows:

"Amounts transmitted to farm loan associations by Federal land banks to be loaned to its members shall, at the option of the bank, be in current funds or Federal Farm Mortgage Corporation bonds, or, at the option of the borrower, in farm loan bonds."

SEC. 8. (a) Section 13 of the Federal Farm Loan Act, as amended (U.S.C., Sup. VII, title 12, sec. 781), is amended by inserting at the end thereof the following new paragraphs:

"Fifteenth. To exchange farm loan bonds for Federal Farm Mortgage Corporation bonds of equal face value, and to purchase Federal Farm Mortgage Corporation bonds at or below par.

"Sixteenth. To exchange Federal Farm Mortgage Corporation bonds for farm loan bonds of equal face value."

(b) The seventh paragraph of section 22 of the Federal Farm Loan Act, as amended (U.S.C., title 12, sec. 897), is amended by adding the following after the first subparagraph (d) thereof:

"(e) To purchase Federal Farm Mortgage Corporation bonds."

SEC. 9. Section 32 of the Emergency Farm Mortgage Act of 1933 (U.S.C., Sup. VII, title 12, sec. 1016) is amended by inserting at the end thereof the following: "Until February 1, 1936, the Land Bank Commissioner shall, in his name, make loans under this section on behalf of the Federal Farm Mortgage Corporation, either in cash or in bonds of the corporation at his election, but no such loans shall be made by him after February 1, 1936, except for the purpose of refinancing loans previously made by him under this section. Not to exceed \$600,000,000 of the bonds and proceeds thereof issued under section 4 of the Federal Farm Mortgage Corporation Act are hereby made available for the purposes of this section, in addition to the amounts transferred to such corporation under section 3 of such Act."

SEC. 10. Section 32 of the Emergency Farm Mortgage Act of 1933 is amended by striking out "\$5,000" and inserting in lieu thereof "\$7,500."

SEC. 11. Section 62 of the Farm Credit Act of 1933 (relating to fiscal agents of the United States) (U.S.C., Sup. VII, title 12, sec. 1138b) is amended by inserting after "Associations," the following: "the Federal Farm Mortgage Corporation,".



【SEC. 12. (a) The corporation, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the corporation shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.】

【(b) Mortgages executed to the Land Bank Commissioner and mortgages held by the Corporation, and the credit instruments secured thereby, and bonds issued by the Corporation under the provisions of this Act, shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation (except surtaxes, estate, inheritance, and gift taxes).】

SEC. 13. Section 64 of the Farm Credit Act of 1933 (relating to unlawful acts and penalties) (U.S.C., Sup. VII, title 12, sec. 1138d) is amended by inserting after "Farm Credit Administration" wherever such phrase appears a comma and the following: "any Federal intermediate credit bank, or the Federal Farm Mortgage Corporation,".

SEC. 14. Paragraph (2) of subsection (a) of section 5 of the Farm Credit Act of 1933 (U.S.C., Sup. VII, title 12, sec. 1131i) is amended by striking out the period at the end thereof and inserting a comma and the following: "and the notes or other obligations evidencing such advances and loans and the security therefor are hereby transferred to the Governor of the Farm Credit Administration."

SEC. 15. (a) Section 5 of the Farm Credit Act of 1933 (U.S.C., Sup. VII, title 12, sec. 1131i) is amended by inserting at the end thereof the following new subsection:

"(e) The amount of all balances, collections, and appropriations allocated under subsection (a) to the revolving fund created thereunder, which is in excess of \$120,000,000, is hereby made available to the Governor of the Farm Credit Administration for the establishment of a revolving fund of not to exceed \$40,000,000. Out of such revolving fund, the Governor is authorized to allocate and, with the approval of the Secretary of the Treasury, to expend such amounts as he deems necessary for subscriptions to the capital stock and/or paid-in surplus of Federal Intermediate Credit Banks."

(b) The first sentence of section 205 of the Federal Farm Loan Act (U.S.C., Sup. VII, title 12, sec. 1061), as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "which amount may be increased from time to time with the approval of the Governor of the Farm Credit Administration."

(c) Section 205 of the Federal Farm Loan Act (U.S.C., title 12, sec. 1061), as amended, is further amended by adding at the end thereof the following: "With the approval of the Secretary of the Treasury, the Governor of the Farm Credit Administration is hereby authorized to subscribe from time to time to the capital stock and/or paid-in surplus of any Federal Intermediate Credit Bank on behalf of the United States, in such amounts as he may determine are necessary for the purpose of meeting the credit needs of eligible borrowers from the bank, and the amount of the capital stock and paid-

in surplus of such bank may be increased or decreased from time to time by the Governor, in accordance with such needs. Such stock shall be divided into shares of \$100 each and subscriptions to such paid-in surplus shall be made in multiples of \$100 out of the revolving fund created under subsection (e) of section 5 of the Farm Credit Act of 1933, as amended. The Governor on behalf of the United States shall make payment for stock and paid-in surplus of such bank and such payment shall be subject to call in whole or in part by the board of directors of the bank, with the approval of the Governor."

SEC. 16. (a) The first sentence of the eighth paragraph of section 13 of the Federal Reserve Act, as amended, is further amended by inserting before the semicolon after the words "section 13(a) of this Act" a comma and the following: "or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act."

(b) Paragraph (b) of section 14 of the Federal Reserve Act, as amended (U.S.C., title 12, secs. 353-358), is further amended by inserting after the words "bonds and notes of the United States" a comma and the following: "bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months."

[SEC. 17. (a) If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

[(b) The right to alter, amend, or repeal this Act is hereby expressly reserved.

[SEC. 18. This Act may be cited as the "Federal Farm Mortgage Corporation Act".]

## ACT OF JUNE 4, 1936

AN ACT To make lands in drainage, irrigation, and conservancy districts eligible for loans by the Federal land banks and other Federal agencies loaning on farm lands, notwithstanding the existence of prior liens of assessments made by such districts, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Farm Credit Administration, [the Federal Farm Mortgage Corporation,] the Federal land banks, [the Land Bank Commissioner,] and any lending or financing agency established by or under the Farm Credit Act of 1933, as amended, or the Federal Farm Loan Act, as amended, are authorized to make loans or acquire mortgages on lands in any drainage, irrigation, or conservancy district, notwithstanding the existence of any prior lien or charge arising out of an assessment for special benefits made by such district, in any case where (1) such land is otherwise eligible for a loan, (2) such assessment is payable over a period of years, and (3) reasonable security exists for the repayment of the loan, taking into consideration all facts and values, including the term and size of the loan, the integrity of the applicant, and the increased earning capacity of the lands arising from the improvements or benefits in respect of which the assessment was made.



## ACT OF SEPTEMBER 6, 1950

AN ACT To direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

\* \* \* \* \*

【SEC. 4. The Secretary is directed to authorize the Federal Farm Mortgage Corporation to sell and convey the mineral interests heretofore or hereafter acquired by it in conformity with the policy expressed in this Act with respect to the mineral interests described in section 1 hereof.】

\* \* \* \* \*

## FARM CREDIT ACT OF 1953

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### TITLE

SECTION 1. This Act may be cited as the "Farm Credit Act of 1953".

\* \* \* \* \*

SEC. 7. (a) The offices of the Land Bank Commissioner, Production Credit Commissioner, Cooperative Bank Commissioner, and Intermediate Credit Commissioner are hereby abolished. 【The Governor shall designate an officer or employee of the Farm Credit Administration to serve at the pleasure of the Governor as a member of the board of directors of the Federal Farm Mortgage Corporation, in lieu of the Land Bank Commissioner. The Federal Farm Mortgage Corporation and its functions and activities are hereby transferred to the Farm Credit Administration and shall be administered therein under the general direction and supervision thereof.】

\* \* \* \* \*

## FEDERAL RESERVE ACT

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the short title of this Act shall be the "Federal Reserve Act."

\* \* \* \* \*

SEC. 13. \* \* \*

\* \* \* \* \*

Any Federal reserve bank may make advances for periods not exceeding fifteen days to its member banks on their promissory notes secured by the deposit or pledge of bonds, notes, certificates of indebtedness, or Treasury bills of the United States, or by the deposit or pledge of debentures or other such obligations of Federal intermediate credit banks which are eligible for purchase by Federal reserve



banks under section 13(a) of this Act; [or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act,] or by the deposit or pledge of bonds issued under the provisions of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, and any Federal reserve bank may make advances for periods not exceeding ninety days to its member banks on their promissory notes secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for rediscount or for purchase by Federal reserve banks under the provisions of this Act. All such advances shall be made at rates to be established by such Federal reserve banks, such rates to be subject to the review and determination of the Board of Governors of the Federal Reserve System. If any member bank to which any such advance has been made shall, during the life or continuance of such advance, and despite an official warning of the reserve bank of the district or of the Board of Governors of the Federal Reserve System to the contrary, increase its outstanding loans secured by collateral in the form of stocks, bonds, debentures, or other such obligations, or loans made to members of any organized stock exchange, investment house, or dealer in securities, upon any obligation, note, or bill, secured or unsecured, for the purpose of purchasing and/or carrying stocks, bonds, or other investment securities (except obligations of the United States) such advance shall be deemed immediately due and payable, and such member bank shall be ineligible as a borrower at the reserve bank of the district under the provisions of this paragraph for such period as the Board of Governors of the Federal Reserve System shall determine: *Provided*, That no temporary carrying or clearance loans made solely for the purpose of facilitating the purchase or delivery of securities offered for public subscription shall be included in the loans referred to in this paragraph.

\* \* \* \* \*

SEC. 14. \* \* \*

Every Federal reserve bank shall have power:

\* \* \* \* \*

(b) To buy and sell, at home or abroad, bonds and notes of the United States, [bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months,] bonds issued under the provisions of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, and having maturities from date of purchase of not exceeding six months, and bills, notes, revenue bonds, and warrants with a maturity from date of purchase of not exceeding six months, issued in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues by any State, county, district, political subdivision, or municipality in the continental United States, including irrigation, drainage and reclamation districts, such purchases to be made in accordance with rules and regulations prescribed by the Board of Governors of the Federal Reserve System: *Provided*, That, notwithstanding any other provision of this Act, (1) until July 1, 1962, any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities either in the open market or directly from or to the United States; but all such

purchases and sales shall be made in accordance with the provisions of section 12A of this Act and the aggregate amount of such obligations acquired directly from the United States which is held at any one time by the twelve Federal Reserve banks shall not exceed \$5,000,000,000; and (2) after June 30, 1962, any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities but only in the open market. The Board of Governors of the Federal Reserve System shall include in their annual report to Congress detailed information with respect to direct purchases and sales from or to the United States under the provisions of the preceding proviso.

\* \* \* \* \*

## FIRST DEFICIENCY APPROPRIATION ACT, FISCAL YEAR 1936

AN ACT Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1936, and June 30, 1937, and for other purposes, namely:

\* \* \* \* \*

## TITLE IV—JUDGMENTS AND AUTHORIZED CLAIMS

\* \* \* \* \*

SEC. 7. (a) Notwithstanding any other provision of law, none of the establishments or agencies named in subsection (b) of this section shall, after June 30, 1937, incur any obligations for administrative expenses, except pursuant to an annual appropriation specifically therefor, nor shall any such establishment or agency continue to function after said date unless established by or pursuant to law: *Provided*, That nothing contained in this section shall be construed to extend the period during which any such establishment or agency heretofore has been authorized by law to function.

- (b) 1. Federal Home Loan Bank Board;  
 2. Home Owners' Loan Corporation;  
 3. Federal Housing Administration;  
 [4. Federal Farm Mortgage Corporation;]  
 [5] 4. Federal Surplus Commodities Corporation;  
 [6] 5. Export-Import Bank of Washington;  
 [7] 6. Second Export-Import Bank of Washington, District of Columbia;  
 [8] 7. Reconstruction Finance Corporation;  
 [9] 8. Electric Home and Farm Authority;  
 [10] 9. Commodity Credit Corporation;  
 [11] 10. Federal Emergency Administration of Public Works;



- [12] 11. Federal Savings and Loan Insurance Corporation;  
 [13] 12. Reconstruction Finance Mortgage Corporation.  
 \* \* \* \* \*

GOVERNMENT CORPORATION CONTROL ACT

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Government Corporation Control Act".*

\* \* \* \* \*

TITLE I—WHOLLY OWNED GOVERNMENT CORPORATIONS

\* \* \* \* \*

SEC. 101. As used in this Act the term "wholly owned Government corporation" means the Commodity Credit Corporation; Regional Agricultural Credit Corporation; Farmers Home Corporation; Federal Crop Insurance Corporation; [Federal Farm Mortgage Corporation;] Federal Surplus Commodities Corporation; Reconstruction Finance Corporation; Defense Plant Corporation; Defense Supplies Corporation; Metals Reserve Company; Rubber Reserve Company; War Damage Corporation; Federal National Mortgage Association; the RFC Mortgage Company; Disaster Loan Corporation; Inland Waterways Corporation; Warrior River Terminal Company; Virgin Islands Corporation; Federal Prison Industries, Incorporated; United States Spruce Production Corporation; Development Loan Fund; Institute of Inter-American Affairs; Institute of Inter-American Transportation; Inter-American Educational Foundation, Incorporated; Inter-American Navigation Corporation; Prencinradio, Incorporated; Cargoes, Incorporated; Export-Import Bank of Washington; Petroleum Reserves Corporation; Rubber Development Corporation; U.S. Commercial Company; Smaller War Plants Corporation; Federal Public Housing Authority (or Public Housing Administration) and including public housing projects financed from appropriated funds and operations thereof; Defense Homes Corporation; Federal Savings and Loan Insurance Corporation; Home Owners' Loan Corporation; United States Housing Corporation; Federal Housing Administration; Saint Lawrence Seaway Development Corporation; Panama Canal Company; Tennessee Valley Authority; and Tennessee Valley Associated Cooperatives, Incorporated.

\* \* \* \* \*

DEPARTMENT OF AGRICULTURE ORGANIC ACT OF 1944

[SEC. 603. All expenditures which under the accounting system prescribed for the Federal Farm Mortgage Corporation by the General Accounting Office are to be treated as capital investments, increasing the book value of acquired fixed property (real estate and chattel), shall be considered as nonadministrative expenses for the purposes of section 7 of the Act of June 22, 1936.]



## TITLE 18 OF THE UNITED STATES CODE

## CHAPTER 23.—CONTRACTS

\* \* \* \* \*

§ 433. Sections 431 and 432 of this title shall not extend to any contract or agreement made or entered into, or accepted by any incorporated company for the general benefit of such corporation; nor to the purchase or sale of bills of exchange or other property where the same are ready for delivery and payment therefor is made at the time of making or entering into the contract or agreement. Nor shall the provisions of such sections apply to advances, loans, discounts, purchase or repurchase agreements, extensions, or renewals thereof, or acceptances, releases or substitutions of security therefor or other contracts or agreements made or entered into under the Reconstruction Finance Corporation Act, the Agricultural Adjustment Act, the Federal Farm Loan Act, the Emergency Farm Mortgage Act of 1933, [the Federal Farm Mortgage Corporation Act,] the Farm Credit Act of 1933, or the Home Owners Loan Act of 1933, the Farmers' Home Administration Act of 1946, the Bankhead-Jones Farm Tenant Act, or to crop insurance agreements or contracts or agreements of a kind which the Secretary of Agriculture may enter into with farmers.

Any exemption permitted by this section shall be made a matter of public record.

\* \* \* \* \*

## CHAPTER 25.—COUNTERFEITING AND FORGERY

\* \* \* \* \*

§ 493. Whoever falsely makes, forges, counterfeits or alters any note, bond, debenture, coupon, obligation, instrument, or writing in imitation or purporting to be in imitation of, a note, bond, debenture, coupon, obligation, instrument or writing, issued by the Reconstruction Finance Corporation, Federal Deposit Insurance Corporation, Home Owners' Loan Corporation, Farm Credit Administration, Federal Housing Administration, [Federal Farm Mortgage Corporation] or any land bank, intermediate credit bank, bank for cooperatives or any lending, mortgage, insurance, credit or savings and loan corporation or association authorized or acting under the laws of the United States, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

Whoever passes, utters, or publishes, or attempts to pass, utter or publish any note, bond, debenture, coupon, obligation, instrument or document knowing the same to have been falsely made, forged, counterfeited or altered, contrary to the provisions of this section, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

\* \* \* \* \*

## CHAPTER 31.—EMBEZZLEMENT AND THEFT

\* \* \* \* \*

§ 657. Whoever, being an officer, agent or employee of or connected in any capacity with the Reconstruction Finance Corporation, Federal Deposit Insurance Corporation, Home Owners' Loan Corporation, Farm Credit Administration, Federal Housing Administration, [Federal Farm Mortgage Corporation,] Federal Crop Insurance Corporation, Farmers' Home Corporation, the Secretary of Agriculture acting through the Farmers' Home Administration, or any land bank, intermediate credit bank, bank for cooperatives or any lending, mortgage, insurance, credit or savings and loan corporation or association authorized or acting under the laws of the United States or any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, or any small business investment company, and whoever, being a receiver of any such institution, or agent or employee of the receiver, embezzles, abstracts, purloins or willfully misapplies any moneys, funds, credits, securities or other things of value belonging to such institution, or pledged or otherwise intrusted to its care, shall be fined not more than \$5,000 or imprisoned not more than five years, or both; but if the amount or value embezzled, abstracted, purloined or misapplied does not exceed \$100, he shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

§ 658. Whoever, with intent to defraud, knowingly conceals, removes, disposes of, or converts, to his own use or to that of another, any property mortgaged or pledged to, or held by, the Farm Credit Administration, any Federal intermediate credit bank, or the [Federal Farm Mortgage Corporation,] Federal Crop Insurance Corporation, Farmers' Home Corporation, the Secretary of Agriculture acting through the Farmers' Home Administration, any production credit association organized under sections 1131-1134m of Title 12, any regional agricultural credit corporation, or any bank for cooperatives, shall be fined not more than \$5,000 or imprisoned not more than five years, or both; but if the value of such property does not exceed \$100, he shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

\* \* \* \* \*

## CHAPTER 47.—FRAUD AND FALSE STATEMENTS

\* \* \* \* \*

§ 1006. Whoever, being an officer, agent or employee of or connected in any capacity with the Reconstruction Finance Corporation, Federal Deposit Insurance Corporation, Home Owners' Loan Corporation, Farm Credit Administration, Federal Housing Administration, [Federal Farm Mortgage Corporation,] Federal Crop Insurance Corporation, Farmers' Home Corporation, the Secretary of Agriculture acting through the Farmers' Home Administration, or any land bank, intermediate credit bank, bank for cooperatives or any lending,

mortgage, insurance, credit or savings and loan corporation or association authorized or acting under the laws of the United States, or any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, or any small business investment company, with intent to defraud any such institution or any other company, body politic or corporate, or any individual, or to deceive any officer, auditor, examiner or agent of any such institution or of department or agency of the United States, makes any false entry in any book, report or statement of or to any such institution, or without being duly authorized, draws any order or bill of exchange, makes any acceptance, or issues, puts forth or assigns any note, debenture, bond or other obligation, or draft, bill of exchange, mortgage, judgment, or decree, or, with intent to defraud the United States or any agency thereof, or any corporation, institution, or association referred to in this section, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission, contract, or any other act of any such corporation, institution, or association, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

\* \* \* \* \*

§ 1014. Whoever knowingly makes any false statement or report, or willfully overvalues any land, property or security, for the purpose of influencing in any way the action of the Reconstruction Finance Corporation, Farm Credit Administration, Federal Crop Insurance Corporation, Farmers' Home Corporation, the Secretary of Agriculture acting through the Farmers' Home Administration, any Federal intermediate credit bank, [or the Federal Farm Mortgage Corporation,] or any division officer, or employee thereof, or of any corporation organized under sections 1131-1134m of Title 12, or of any regional agricultural credit corporation established pursuant to law, or of the National Agricultural Credit Corporation, a Federal Home Loan Bank, the Federal Home Loan Bank Board, the Home Owners' Loan Corporation, a Federal Savings and Loan Association, a Federal land bank, a joint stock land bank, a Federal land bank association, or of a Federal Reserve bank, or of a small business investment company, upon any application, advance, discount, purchase, purchase agreement, repurchase agreement, commitment, or loan, or any change or extension of any of the same, by renewal, deferment of action or otherwise, or the acceptance, release, or substitution of security therefor, shall be fined not more than \$5,000 or imprisoned not more than two years, or both.

\* \* \* \* \*







87<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1040

[Report No. 1110]

---

## IN THE HOUSE OF REPRESENTATIVES

JUNE 13, 1961

Referred to the Committee on Agriculture

SEPTEMBER 5, 1961

Reported with an amendment, committed to the Committee of the Whole House  
on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

---

## AN ACT

To abolish the Federal Farm Mortgage Corporation, and for  
other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That (a) the Federal Farm Mortgage Corporation, estab-  
4       lished by the Act of January 31, 1934 (48 Stat. 344; 12  
5       U.S.C. 1020), is hereby abolished; and, except as provided  
6       in subsection (d), all of the powers, duties, functions, and  
7       authority of such Corporation are hereby terminated.  
8       (b) All right, title, and interest in or to real property  
9       other than reserved mineral interests which may appear of  
10      public record in any farm credit district to be in the Land

1 Bank Commissioner or the Federal Farm Mortgage Cor-  
2 poration are hereby confirmed to be in the Federal land bank  
3 of said district, and said bank is hereby authorized in its own  
4 name or in the name of the Federal Farm Mortgage Corpo-  
5 ration to execute any assignment, release, satisfaction, or  
6 other instrument as may be necessary or appropriate in con-  
7 nection therewith to perfect title of record in the true owners.

8 (c) All right, title, and interest to any reserved mineral  
9 interests of the Federal Farm Mortgage Corporation which  
10 have not been disposed of otherwise by the Federal Farm  
11 Mortgage Corporation are hereby confirmed to be in the  
12 United States of America to be administered by the Secre-  
13 tary of the Interior under the mineral laws of the United  
14 States.

15 (d) There are hereby transferred to the Secretary of  
16 the Treasury (1) all cash, accounts receivable, and other  
17 assets owned by the Federal Farm Mortgage Corporation,  
18 and (2) all authority of such corporation relating to the col-  
19 lection of notes receivable from the Federal land banks.

20 (e) Any cash received by the Secretary of the Treasury,  
21 and any moneys collected by him, by virtue of the transfer  
22 made under this section shall be deposited in the general fund  
23 of the Treasury as miscellaneous receipts.

24 SEC. 2. No suit, action, or other proceeding lawfully



1 commenced by or against the Federal Farm Mortgage Cor-  
2 poration shall abate by reason of the enactment of this Act,  
3 but the court, on motion or supplemental petition filed at any  
4 time within twelve months after the date of such enactment,  
5 may allow the same to be maintained by or against the Sec-  
6 retary of the Treasury.

7 SEC. 3. (a) Sections 1, 2, 3, 4, 5, 6, 12, 17, and 18  
8 of the Federal Farm Mortgage Corporation Act, as amended  
9 (12 U.S.C. 1020, 1020a-1020h, 992a, 723 (f) ), are hereby  
10 repealed.

11 (b) Sections 32 (except the fourteenth sentence  
12 thereof), 33, 34, and 35 of the Emergency Farm Mortgage  
13 Act of 1933, as amended (12 U.S.C. 1016-1019, except  
14 1016 (h), second sentence), are hereby repealed, and the  
15 fourteenth sentence of such section 32 (12 U.S.C. 1016 (h),  
16 second sentence) is hereby amended by deleting therefrom  
17 the word "such".

18 (c) The first sentence of the eighth paragraph of sec-  
19 tion 13 of the Federal Reserve Act, as amended (12 U.S.C.  
20 347), is amended by striking out "or by the deposit or  
21 pledge of Federal Farm Mortgage Corporation bonds issued  
22 under the Federal Farm Mortgage Corporation Act,".

23 (d) The first sentence of section 14 (b) of the Federal  
24 Reserve Act, as amended (12 U.S.C. 355), is amended by

1 striking out “bonds of the Federal Farm Mortgage Corpora-  
2 tion having maturities from date of purchase of not exceed-  
3 ing six months,”.

4 (e) The fourteenth paragraph of section 7 of the Fed-  
5 eral Farm Loan Act, as amended (12 U.S.C. 723 (c) ), is  
6 amended by striking out the fourth sentence thereof.

7 (f) The last paragraph of section 12 of the Federal  
8 Farm Loan Act, as amended ~~(12 U.S.C. 722)~~ (12 U.S.C.  
9 772), is amended to read as follows:

10 “Amounts transmitted to Federal land bank associations  
11 by Federal land banks to be loaned to its members shall, at  
12 the option of the bank, be in current funds or, at the option  
13 of the borrower, in farm loan bonds.”

14 (g) Paragraph Eighth of section 13 of the Federal Farm  
15 Loan Act, as amended (12 U.S.C. 781), is amended to read  
16 as follows:

17 “Eighth. To buy and sell United States Government  
18 obligations direct or fully guaranteed.”

19 (h) Section 13 of the Federal Farm Loan Act, as  
20 amended (12 U.S.C. 781), is amended by striking out  
21 paragraphs Fifteenth, Sixteenth, and Twentieth thereof.

22 (i) Section 22 of the Federal Farm Loan Act, as  
23 amended (12 U.S.C. 897), is amended by (1) striking

1 out clause (e) under the heading “In the case of a Federal  
2 land bank”, and (2) striking out clause (e) under the  
3 heading “In the case of a joint-stock land bank”.

4 (j) Section 62 of the Farm Credit Act of 1933, as  
5 amended (12 U.S.C. 1138b), is amended by striking out  
6 “the Federal Farm Mortgage Corporation,”.

7 (k) The Act of June 4, 1936, as amended (49 Stat.  
8 1461; 12 U.S.C. 773a), is amended by striking out “the  
9 Federal Farm Mortgage Corporation,” and “the Land Bank  
10 Commissioner”.

11 (l) Section 7 (b) of the First Deficiency Appropria-  
12 tion Act, fiscal year 1936, approved June 22, 1936 (49  
13 Stat. 1684; 15 U.S.C. 712a (b) ), is amended by striking  
14 out item 4 thereof and by redesignating items 5 to 13, inclu-  
15 sive, as 4 to 12, respectively.

16 (m) The Act of September 6, 1950 (64 Stat. 769;  
17 7 U.S.C. 1036), is amended by striking out section 4 thereof.

18 (n) Section 7 (a) of the Farm Credit Act of 1953, as  
19 amended (12 U.S.C. 636f (a) ), is amended by striking out  
20 the second and third sentences thereof.

21 (o) The second sentence of section 433 of title 18 of  
22 the United States Code is amended by striking out “the  
23 Federal Farm Mortgage Corporation Act,”.



1       (p) The first paragraph of section 493 of title 18 of  
2 the United States Code is amended by striking out “Federal  
3 Farm Mortgage Corporation”.

4       (q) Section 657 of title 18 of the United States Code  
5 is amended by striking out “Federal Farm Mortgage Cor-  
6 poration,”.

7       (r) Section 658 of title 18 of the United States Code  
8 is amended by striking out “Federal Farm Mortgage Cor-  
9 poration,”.

10       (s) Section 1006 of title 18 of the United States Code  
11 is amended by striking out “Federal Farm Mortgage Cor-  
12 poration,”.

13       (t) Section 1014 of title 18 of the United States Code is  
14 amended by striking out “or the Federal Farm Mortgage  
15 Corporation,”.

16       (u) Section 101 of the Government Corporation Con-  
17 trol Act, as amended (31 U.S.C. 846), is amended by strik-  
18 ing out “Federal Farm Mortgage Corporation;”.

19       (v) The Department of Agriculture Organic Act of  
20 1944, as amended (58 Stat. 741; 12 U.S.C. 1020a-1), is  
21 amended by striking out section 603 thereof.

22       (w) The last paragraph of section 32 of the Federal

- 1 Farm Loan Act, as amended (12 U.S.C. 992, 993), is
- 2 hereby repealed.

Passed the Senate June 12, 1961.

Attest:                      FELTON M. JOHNSTON,  
*Secretary.*

87TH CONGRESS  
1ST SESSION

S. 1040

[Report No. 1110]

---

# AN ACT

---

To abolish the Federal Farm Mortgage Corporation, and for other purposes.

---

JUNE 13, 1961

Referred to the Committee on Agriculture

SEPTEMBER 5, 1961

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE  
(For information only;  
should not be quoted  
or cited)

## CONTENTS

Issued September 19, 1961  
For actions of September 18, 1961  
87th-1st, No. 164

Appropriations.....	9,24,33
Area redevelopment.....	20
Botanic gardens.....	17
Easements.....	18
Education.....	8
Electrification.....	28
Farm loans.....	2
Farm program.....	20,35
Feed grains.....	5
Fish flour.....	27
Food for peace.....	30
Foreign aid.....	13
Foreign trade.....	23
Forestry research.....	34
Lands.....	18,22
Legislative accomplishments.....	26
Legislative program.....	19
Meatpackers.....	32

Peace Corps.....	7,31
Personnel.....	6,14,21
Poultry.....	3
Purchasing.....	12
Recreation.....	11
Rice.....	4
Sugar.....	25
Supergrades.....	6
Trademarks.....	15
Twine imports.....	23
Virgin Islands.....	29
Water compacts.....	16
Watersheds.....	10
Wheat.....	1

HIGHLIGHTS: House passed bills to: Permit wheat producers to withdraw from stored excess for under-production; exempt durum wheat in certain California counties from allotments and quotas; provide additional supergrades; clarify and simplify operations of Farm Credit agencies. House rejected bill to permit farms on which summer fallow is practiced to participate in feed grains program. Rep. Elliott introduced and discussed poultry bill.

## HOUSE

1. WHEAT. Passed as reported S. 1107, to continue to exempt the production of durum wheat in portions of Modoc and Siskiyou Counties, Calif. (Tulelake area), from acreage allotments and marketing quota restrictions. p. 18824

Passed as reported H. R. 8842, to amend the Agricultural Act of 1961 so as to permit a wheat producer to withdraw from his stored excess the amount of wheat by which he fails to make his normal production on the reduced acreage allotment, less the acres voluntarily retired below the allotment. p. 18826

2. FARM LOANS. Passed as reported S. 1040, to abolish the Federal Farm Mortgage Corporation. pp. 18823-4

~~Passed without amendment S. 1927, to make a number of amendments to simplify and clarify the operations of institutions supervised by FCA. This bill will now be sent to the President. p. 18904~~

3. POULTRY. Passed as reported H. R. 7866, to extend the Poultry Products Inspection Act to Puerto Rico and the Virgin Islands. p. 18823



4. RICE. Passed without amendment H. R. 9013, to provide for the transfer of rice acreage history where a producer withdraws from the production of rice. pp. 18826-7
- \*
5. FEED GRAINS. By a vote of 213 to 149, defeated a motion to pass under suspension of the rules H. R. 8914, to permit producers on farms on which summer fallow is a normal practice to plant barley on land devoted to summer fallow during 1961 which is diverted from wheat under the 1962 Wheat Stabilization Program provided an overall reduction of 20% is made in corn, grain sorghums, and barley. pp. 18826-18855-61
6. SUPERGRADES. By a vote of 305 to 53, passed under suspension of the rules H. R. 7377, to increase the limitation on the number of supergrades, and on the number of research and development positions of scientists and engineers for which special rates of pay are authorized. pp. 18861-5, 18865-70
7. PEACE CORPS. Conferees were appointed on H. R. 7500, to provide for a Peace Corps. pp. 18817-8  
The "Daily Digest" states that "Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H. R. 7500, providing for the establishment of a Peace Corps." p. D871
8. EDUCATION. Passed without amendment H. R. 9053, to amend the National Defense Education Act to provide that loans made under title II will be made for the academic year rather than the fiscal year. p. 18826  
By a vote of 342 to 18, passed under suspension of the rules (in lieu of H. R. 8900) S. 2393, to extend for 2 years the authority for Federal assistance for the construction and operation of schools in federally impacted areas and the National Defense Education Act. pp. 18831-4
9. APPROPRIATIONS. Received the conference report on H. R. 8302, the military construction appropriation bill (H. Rept. 1201). pp. 18850-1
10. WATERSHEDS. Passed as reported H. R. 3801, to authorize the Secretary of the Army and the Secretary of Agriculture to make joint investigations and surveys of watershed areas for flood prevention or the conservation, development, utilization, and disposal of water. pp. 18818-20
11. RECREATION. Passed as reported H. R. 4934, to authorize the Secretary of Agriculture to modify certain leases entered into for the provisions of recreation facilities in reservoir areas. p. 18904
12. PURCHASING. Passed without amendment H. R. 8741, to grant to all Federal agencies the authority to waive performance and payment bonds otherwise required under the Miller Act with respect to cost-plus-a-fixed fee and cost-type contracts for the construction, alteration, or repair of building or public works and with supply contracts. p. 18830
13. FOREIGN AID. Passed without amendment H. R. 7791, to provide for the collection and publication of foreign commerce and trade statistics. pp. 18827-8
14. PERSONNEL. Passed without amendment H. R. 8565, to amend Public Law 763, 83d Congress, so as to permit firefighters to voluntarily elect to be paid at the

---

\*Although a majority voted for the bill, a two-thirds majority is necessary under a motion to suspend.



serve until June 30, 1958. Each State member shall hold office subject to the laws of his State or until his successor has been duly appointed and qualified."

Sec. 2. The right to alter, amend, or repeal this Act is expressly reserved. This reservation shall not be construed to prevent the vesting of rights to the use of water pursuant to applicable law and no alteration, amendment, or repeal of this act shall be held to affect rights so vested.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### RECREATION FACILITIES IN RESERVOIR AREAS

The Clerk called the bill (H.R. 4934) to authorize the Secretary of Agriculture to modify certain leases entered into for the provision of recreation facilities in reservoir areas.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Reserving the right to object, Mr. Speaker, I notice the report indicates that the bill deals only with licenses entered into before November 1, 1956. The bill strikes out that language. Can someone on the committee handling this bill tell me whether the date of November 1, 1956 is still in the bill, and if not, why not?

Mr. Speaker, I ask unanimous consent that this bill be placed at the foot of the calendar.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

#### CLARIFY POULTRY PRODUCTS INSPECTION ACT

The Clerk called the bill (H.R. 7866) to amend the Poultry Products Inspection Act to extend the application thereof to the Commonwealth of Puerto Rico.

There being no objection, the Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Poultry Products Inspection Act (71 Stat. 441) is amended by striking section 4(a) and inserting in lieu thereof the following:*

"(a) the term 'commerce' means commerce between any State or the District of Columbia, and any place outside thereof; or between points within the same State or the District of Columbia, but through any place outside thereof; or within the District of Columbia; and the term 'State' includes the Commonwealth of Puerto Rico."

With the following committee amendment:

Page 2, line 2, after "Puerto Rico" insert "and the Virgin Islands."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read:  
A bill to amend the Poultry Products Inspection Act to extend the application there-

of to the Commonwealth of Puerto Rico and the Virgin Islands.

A motion to reconsider was laid on the table.

#### ABOLITION OF FEDERAL FARM MORTGAGE CORPORATION

The Clerk called the bill (S. 1040) to abolish the Federal Farm Mortgage Corporation, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I should only like to make this statement, that this ought to be a red letter day in the history of the Government, because we are now abolishing one agency, one corporation, in the Government, perhaps saving a little money. That does not happen very often.

I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Federal Farm Mortgage Corporation, established by the Act of January 31, 1934 (48 Stat. 344; 12 U.S.C. 1020), is hereby abolished; and, except as provided in subsection (d), all of the powers, duties, functions, and authority of such Corporation are hereby terminated.*

(b) All right, title, and interest in or to real property other than reserved mineral interests which may appear of public record in any farm credit district to be in the Land Bank Commissioner or the Federal Farm Mortgage Corporation are hereby confirmed to be in the Federal land bank of said district, and said bank is hereby authorized in its own name or in the name of the Federal Farm Mortgage Corporation to execute any assignment, release, satisfaction, or other instrument as may be necessary or appropriate in connection therewith to perfect title of record in the true owners.

(c) All right, title, and interest to any reserved mineral interests of the Federal Farm Mortgage Corporation which have not been disposed of otherwise by the Federal Farm Mortgage Corporation are hereby confirmed to be in the United States of America to be administered by the Secretary of the Interior under the mineral laws of the United States.

(d) There are hereby transferred to the Secretary of the Treasury (1) all cash, accounts receivable, and other assets owned by the Federal Farm Mortgage Corporation, and (2) all authority of such corporation relating to the collection of notes receivable from the Federal land banks.

(e) Any cash received by the Secretary of the Treasury, and any moneys collected by him, by virtue of the transfer made under this section shall be deposited in the general fund of the Treasury as miscellaneous receipts.

SEC. 2. No suit, action, or other proceeding lawfully commenced by or against the Federal Farm Mortgage Corporation shall abate by reason of the enactment of this Act, but the court, on motion or supplemental petition filed at any time within twelve months after the date of such enactment, may allow the same to be maintained by or against the Secretary of the Treasury.

SEC. 3. (a) Sections 1, 2, 3, 4, 5, 6, 12, 17, and 18 of the Federal Farm Mortgage Corporation Act, as amended (12 U.S.C. 1020, 1020a-1020h, 992a, 723(f)), are hereby repealed.

(b) Sections 32 (except the fourteenth sentence thereof), 33, 34, and 35 of the Emergency Farm Mortgage Act of 1933, as amended (12 U.S.C. 1016-1019, except 1016 (h), second sentence) are hereby repealed, and the fourteenth sentence of such section 32 (12 U.S.C. 1016(h), second sentence) is hereby amended by deleting therefrom the word "such".

(c) The first sentence of the eighth paragraph of section 13 of the Federal Reserve Act, as amended (12 U.S.C. 347), is amended by striking out "or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act."

(d) The first sentence of section 14(b) of the Federal Reserve Act, as amended (12 U.S.C. 355), is amended by striking out "bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months."

(e) The fourteenth paragraph of section 7 of the Federal Farm Loan Act, as amended (12 U.S.C. 723(c)), is amended by striking out the fourth sentence thereof.

(f) The last paragraph of section 12 of the Federal Farm Loan Act, as amended (12 U.S.C. 722), is amended to read as follows: "Amounts transmitted to Federal land bank associations by Federal land banks to me loaned to its members shall, at the option of the bank, be in current funds or, at the option of the borrower, in farm loan bonds."

(g) Paragraph Eighth of section 13 of the Federal Farm Loan Act, as amended (12 U.S.C. 781), is amended to read as follows:

"Eighth. To buy and sell United States Government obligations direct or fully guaranteed."

(h) Section 13 of the Federal Farm Loan Act, as amended (12 U.S.C. 781), is amended by striking out paragraphs Fifteenth, Sixteenth, and Twentieth thereof.

(i) Section 22 of the Federal Farm Loan Act, as amended (12 U.S.C. 897), is amended by (1) striking out clause (e) under the heading "In the case of a Federal land bank", and (2) striking out clause (e) under the heading "In the case of a joint-stock land bank".

(j) Section 62 of the Farm Credit Act of 1933, as amended (12 U.S.C. 1138b), is amended by striking out "the Federal Farm Mortgage Corporation."

(k) The Act of June 4, 1936, as amended (49 Stat. 1461; 12 U.S.C. 773a), is amended by striking out "the Federal Farm Mortgage Corporation," and "the Land Bank Commissioner".

(l) Section 7(b) of the First Deficiency Appropriation Act, fiscal year 1936, approved June 22, 1936 (49 Stat. 1684; 15 U.S.C. 712a (b)), is amended by striking out item 4 thereof and by redesignating items 5 to 13, inclusive, as 4 to 12, respectively.

(m) The Act of September 6, 1950 (64 Stat. 769; 7 U.S.C. 1036), is amended by striking out section 4 thereof.

(n) Section 7(a) of the Farm Credit Act of 1953, as amended (12 U.S.C. 636f(a)), is amended by striking out the second and third sentences thereof.

(o) The second sentence of section 433 of title 18 of the United States Code is amended by striking out "the Federal Farm Mortgage Corporation Act."

(p) The first paragraph of section 493 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation".

(q) Section 657 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation."



(r) Section 658 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation,".

(s) Section 1006 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation,".

(t) Section 1014 of title 18 of the United States Code is amended by striking out "or the Federal Farm Mortgage Corporation,".

(u) Section 101 of the Government Corporation Control Act, as amended (31 U.S.C. 846), is amended by striking out "Federal Farm Mortgage Corporation,".

(v) The Department of Agriculture Organic Act of 1944, as amended (58 Stat. 741; 12 U.S.C. 1020a-1), is amended by striking out section 603 thereof.

(w) The last paragraph of section 32 of the Federal Farm Loan Act, as amended (12 U.S.C. 992, 993), is hereby repealed.

With the following committee amendment:

Page 4, line 8, strike out "(12 U.S.C. 722)" and insert "12 U.S.C. 772)"

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### DURUM WHEAT PRODUCTION IN TULELAKE, CALIF.

The Clerk called the bill (S. 1107) to provide a 2-year extension of the existing provision for a minimum wheat acreage allotment in the Tulalake area of California.

There being no objection, the Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 334(1) of the Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by striking "1958 through 1961" out of the first sentence thereof, and inserting "1958 through 1963"; and

(2) by adding at the end thereof the following additional sentence: "Any provision of law providing for a general reduction in farm acreage allotments, or for an acreage diversion program, for the 1962 crop of wheat shall not be construed to apply to farms for which acreage allotments are increased under the provisions hereof unless such provision of law is made applicable specifically to such farms."

With the following committee amendment:

Page 2, line 1, after "1962" insert "or 1963".

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### AMENDMENT TO FARM CREDIT LAWS

The Clerk called the bill (S. 1927) to amend further the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, and for other purposes.

Mr. MASON. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### EXCHANGE OF LANDS BETWEEN THE NAVY AND OREGON

The Clerk called the bill (H.R. 8924) to amend section 207 of the Military Construction Act of 1960 in order to clarify the authority granted under such section to the Secretary of the Navy to exchange certain lands owned by the United States for lands owned by the State of Oregon.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask two or three questions: First of all, does this bill provide for the fair market value in the proposed exchange of lands where there is a difference as to value?

Mr. NORBLAD. Mr. Speaker, if the gentleman will yield, my understanding is that it does.

Mr. GROSS. Well, the gentleman understands that it does, but I should like a little more assurance than that, that it does provide for the fair market value.

Mr. NORBLAD. It does provide for the fair market value.

Mr. GROSS. All right. Now, will the gentleman please tell me the meaning of "missile park"?

Mr. NORBLAD. It is contemplated that the Boeing Aircraft Co. will go in there and do testing.

Mr. GROSS. That is what is known as the missile park; is that right?

Mr. NORBLAD. I presume so, yes.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 207 of the Military Construction Act of 1960 (74 Stat. 166, 175) is amended to read as follows:

"Sec. 207. (a) Notwithstanding any other provisions of law, the Secretary of the Navy is authorized, upon such terms and conditions as he may determine to be in the public interest, to convey to the State of Oregon all or part of or interests in the lands, including acquired and public domain lands, comprising the Boardman Bombing Range in the State of Oregon, as delineated on a map designated as 'War Department, Office of the Division Engineer, North Pacific Division, Real Estate, Boardman Precision Bombing Range', approved February 17, 1947, drawing numbered 0-31-52. The conveyance of such lands to the State of Oregon shall be made in exchange for a conveyance, without restriction as to use of lands, to the United States of such lands, or interests therein, of the State of Oregon as the Secretary of the Navy shall find suitable for use, with any lands or interests retained by the Navy, as a bombing range, and upon payment

by the State of Oregon to the United States of such amount as the Secretary of the Navy determines to represent the total of (1) the difference, if any, between the fair market value of the property so conveyed by the Secretary of the Navy and the fair market value of the land and interests in lands accepted in exchange therefor, and (2) the cost to the Department of the Navy of providing a complete substitute facility on the retained lands, if any, and the State lands so acquired.

"(b) The State of Oregon shall agree to be primarily liable and hold the United States harmless from any claims for personal injury or property damage resulting from the condition of the lands conveyed by the United States.

"(c) Of the lands retained by the Navy, if any, together with any lands conveyed to the United States by the State of Oregon, 37,320.31 acres thereof, inclusive of any retained public domain lands, as agreed upon by the Secretary of the Interior and the Secretary of the Navy, shall become public domain lands of the United States subject to all the laws and regulations applicable thereto, but shall remain withdrawn from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and shall be reserved for use as a bombing range under the administration of the Department of the Navy until such withdrawal and reservation is revoked by order of the Secretary of the Interior with the concurrence of the Secretary of the Navy. The remaining acreage of the lands conveyed to the United States shall become a part of the lands comprising the substitute bombing range and shall be administered by the Department of the Navy.

"(d) The money received by the Secretary of the Navy in connection with the exchange authorized by this Act shall be disbursed as follows: (1) The difference in the fair market value between the public domain lands conveyed by the United States and the lands designated as public domain lands under subsection (c), exclusive of any retained public domain lands, shall be distributed as a receipt from the sale of public domain lands; (2) the difference in the fair market value between the remaining lands and interests exchanged shall be covered into the Treasury as a miscellaneous receipt; and (3) the amount received to defray the cost of providing a complete substitute facility shall be available to the Department of the Navy for the construction and acquisition of such complete substitute facility.

"(e) The Department of the Navy shall not be required to relinquish use of any lands of the Boardman Bombing Range to be conveyed to the State of Oregon until the complete substitute facility is available for use."

With the following committee amendment:

On page 4, lines 3 to 6, after the semicolon substitute the following: "and (3) the amount representing the cost to the Department of the Navy for providing a complete substitute facility on the retained lands, if any, and the State lands so acquired, shall be covered into the Treasury as a miscellaneous receipt."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.







# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE  
(For information only;  
should not be quoted  
or cited).

### CONTENTS

Issued September 25, 1961  
For actions of Sept. 22 and 23, 1961  
87th-1st, Nos. 168 and 169

Adjournment.....	22,37
Alaska lands.....	64
Appropriations.....	16,19, 25,36,65,69
ASC committees.....	1,40
Budgeting.....	56
Civil defense.....	13
Conservation.....	47
Consumers.....	34
Convening of Congress.....	31,60
Cotton.....	8,15,41
Downgrading.....	68
Educational exchange.....	62
Employment.....	47,58
Expenditures.....	46
Extension work.....	54
Farm labor.....	9,23,27
Farm loans.....	12
Farm program.....	30,40,48
Feed grains.....	40
Fish flour.....	29,44
Food for peace.....	43
Foreign trade.....	50
Forest products.....	39
Forestry.....	2,17
Information.....	3
Item veto.....	56

Labeling.....	55
Land classification.....	28
Lands.....	51,64
Legislative accomplishments.....	43
Legislative program.....	36
Meat inspection.....	57
Nomination.....	26
Patents.....	53
Personnel.....	1,24,32 46,63,68
Price supports.....	59
Public works.....	16,25
Purchasing.....	5
Research.....	14,18
Retirement.....	1
Small business.....	52
Soil and water research.....	14
Stockpiling.....	45
Student trainees.....	1
Supergrades.....	1
Surplus commodities.....	49
Tariffs.....	4,21
Textiles.....	7,38
Timber.....	51
Trading stamps.....	67
Transportation.....	35,66
Travel.....	61
Vehicles.....	63
Virgin Islands.....	6,11,20
Wetlands.....	33
Wheat.....	10
Wilderness.....	42
Youth employment.....	47,58

For Highlights see page 8.

### HOUSE - SEPT. 22

1. PERSONNEL. Received the conference report on H. R. 7377, to increase the limitation on the number of supergrades and on the number of research and development positions of scientists and engineers for which special rates of pay are authorized (H. Rept. 1261) (pp. 19618-23). Conferees had been appointed earlier in the day (p. 19561). The conferees agreed to salaries of \$19,000 for the heads of FHA, FS, SCS, and FCIC.

Agreed to the conference report on S. 739, to remove the present requirement, contained in the Pay Act of 1960, that ASC county committee employees with past service purchase credit for such service within a two-year period from July 10, 1960, to modify the method of computing interest earnings of special Treasury issues held by the civil service retirement and disability fund, and to provide for permanent indefinite appropriations for the retirement fund. p. 19575

Passed as reported H. R. 8798, to authorize payment of travel and transportation expenses to student trainees when assigned, with or without promotion, upon



completion of college work to positions for which there is determined by the Civil Service Commission to be a manpower shortage. pp. 19567-8

2. FORESTRY. Received from the President "a report prepared by the Department of Agriculture setting forth a development program for the national forests"; to Agriculture Committee. p. 19624
  3. INFORMATION. Received from the Government Operations Committee the eleventh report on availability of information from Federal departments and agencies (H. Rept. 1257). p. 19625
  4. TARIFFS. The Ways and Means Committee reported with amendments H. R. 6682, to provide for the exemption of fowling nets from duty (H. Rept. 1258). p. 19625
  5. PURCHASING. Passed without amendment H. R. 8099, to remove the limitation on the maximum capital of the General Supply Fund, and (as reported) H. R. 8100, to allow GSA to charge to the consuming agencies the transportation cost of items of supply sent them by request. p. 19567
  6. VIRGIN ISLANDS. Received the conference report on H. R. 4750; to increase the borrowing authority of the Virgin Islands Corporation (H. Rept. 1260). pp. 19606-7
  7. TEXTILES. Rep. Hemphill inserted a number of articles on the problems of the textile industry and said, "As a Representative of a textile area, I insist that the Government of these United States holds to my people and to this industry a review of policy and cure the illness of the textile industry in the United States." pp. 19589-94
  8. COTTON. Rep. McSween discussed the 1962 cotton outlook and said, "If we move in the direction of reduced acreage, restrictions, and high Government guaranteed prices, we will reverse this whole trend and cotton will become a sick and frustrated industry." pp. 19604-5
- SENATE - SEPT. 22
9. FARM LABOR. Continued debate on H. R. 2010, the Mexican farm labor bill (pp. 19445, 19448-9, 19456-71, 19487-500, 19506-39). By a vote of 38 to 33, agreed to a motion by Sen. Jordan to table a motion by Sen. Keating to reconsider the vote by which the Senate declined to table the conference report on Thurs. (pp. 19488-9). By a vote of 43 to 30, agreed to a motion by Sen. Jordan to table a motion by Sen. Keating (for himself and Sen. McCarthy) to defer further consideration of the conference report until Friday, Jan. 19, 1962 (p. 19507).
  10. WHEAT. Concurred in the House amendment to S. 1107, to continue the exemption on the production of durum wheat in portions of Modoc and Siskiyou Counties, Calif. (Tulelake area), from acreage allotments and marketing quota restrictions during 1962 and 1963. This bill will now be sent to the President. p. 19494
  11. VIRGIN ISLANDS. Agreed to the conference report on H. R. 4750, to amend the Virgin Islands Corporation Act so as to increase the borrowing authority of the Corporation by \$4 million. p. 19526
  12. FARM LOANS. Concurred in the House amendment to S. 1040, to abolish the Federal Farm Mortgage Corporation. This bill will now be sent to the President. p. 19495



Secondly, as the Senator from Vermont [Mr. Aiken] indicated earlier, we have a history and a precedent of large producers recruiting workers in Mexico. They can do so under the law. It is well established that they can do so. So the injury to anyone involved in laying the bill over to next January would be extremely limited under those circumstances. And for that reason the Senate could stand fast, remain tough, and say to the House, "We recognize your ultimatum, and we insist on getting a good bill, a humane bill, or no bill."

Mr. DOUGLAS. I have great respect for the House of Representatives. My wife served a term in the House before I came to the Senate. In fact, I got elected to the Senate on a case of mistaken identity. The voters thought they were voting for my wife; and then, to their pain, they discovered they were voting for me. So I have very much of a soft spot for the House.

Incidentally, my wife has said that a Senator can condense into an hour what a Member of the House can say in 5 minutes. I am not, however, carrying out that principle this afternoon. But I wish to emphasize again my great respect for this coequal body. But that statement does not mean that we should accept dictation at their hands.

I may point out in connection with agricultural matters that we have all too often been confronted with a loaded pistol and told, "Take the House version or you will have no bill at all."

In connection with the sugar bill, in the summer of 1960 the Committee on Agriculture of the House came in with a bill at the conclusion of the session and told the Senate, "You take it or there will be no bill."

That bill, in fact, gave large bonuses to foreign countries which previously had not produced sugar, but which received the Cuban quota which was then being redistributed. That amounted to a present—I think at a yearly rate of about \$140 million a year—to a small group of sugar producers in other countries. It was to last for 6 months. Then the act came up again last March, and on the eve of the expiration of the act, once again the House Committee on Agriculture came in and continued the same practice.

We remember that the Senate Committee on Finance proposed instead that the bonus of 2 cents a pound above the world price, which was being paid, should go into the Federal Treasury, and that such action would mean an increase in Federal revenues of about \$140 million a year.

The Senate was about ready to adopt the amendment, in spite of the way in which the lobbyists flew up here from Latin America, arriving in so many airplanes that the heavens were almost darkened by the wings of the planes. In spite of that, the Senate was about ready to accept the proposal—and I take some credit, if I may be forgiven, for advancing the proposal—when we were told that if we acted in that way "the House will never agree to the proposal, and the

6 months' extension will expire and we will be in chaos."

A decent self-respect should therefore cause us to carry out a policy which is at once humane and economical and which reasserts the dignity of this body.

On Tuesday of this week we heard the eloquent speech of the Senator from Georgia [Mr. Russell] on the dignity of the Senate, who said the Senate was a great deliberative body and deserved to be respected by its Members and by the world at large and by the House of Representatives as well.

I believe in that, too. I believe in thorough discussion, but I believe in our commanding the respect of other bodies. We do not command respect by yielding every time there is a conflict of wills.

I believe that we should send the conference committee back to meet with the House. If some of them do not desire to serve, perhaps they might be replaced with Members of the Senate who believe in the McCarthy amendment. If some of them cannot conscientiously serve, we may have a conference committee more representative of the opinion of the Senate.

I know that this is September 22, and it has been a long session. We have been in session nearly 10 months. It is in these last days that frequently decisions are made which are ultimately disastrous, and special interest groups depend upon the fatigue of Senators and Representatives and their desire to get away, to get measures adopted which do not stand up in the light of time.

The Senator from Illinois would like to get away too. There are many things he would like to do, among them going back to his beloved State. However, legislation comes first. If necessary, the Senator from Illinois is ready to stay here until Christmas to get a proper bill enacted in the field of migratory labor, and to get proper tax bills enacted or improper bills defeated.

I said I did not wish to engaged in a filibuster. I wish to discuss this issue in depth. Therefore I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Gore in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AUTHORIZATION TO THE COMMITTEE ON SMALL BUSINESS TO FILE REPORTS.

During the delivery of Mr. DOUGLAS' speech:

Mr. SPARKMAN. Mr. President, will the Senator yield so that I may make a unanimous-consent request, with the understanding that it will not jeopardize his right to the floor?

Mr. DOUGLAS. I am delighted to yield to the Senator from Alabama, who was our candidate for Vice President in

1952, who not only has a brilliant political past, but also a brilliant political present and future, and whom we all hold in the highest esteem.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Select Committee on Small Business be authorized, during the adjournment of the 1st session of the 87th Congress, to file with the Secretary of the Senate the following two reports: "Small Business Administration, 1961" and "The Role of Competition in a Space Communication System," and that both reports be printed.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

#### ABOLITION OF FEDERAL FARM MORTGAGE CORPORATION

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1040) to abolish the Federal Farm Mortgage Corporation, and for other purposes, which was, on page 4, line 5, strike out "(12 U.S.C. 722)" and insert "(12 U.S.C. 772)".

Mr. HOLLAND. Mr. President, I wish to say for the information of the Senate that the House amendment merely corrects a typographical error in citing the number of the United States Code section that is referred to. The amendment should be concurred in. I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

#### EXTENSION OF PROVISION FOR MINIMUM WHEAT ACREAGE ALLOTMENT IN TULELAKE AREA OF CALIFORNIA

Mr. KUCHEL. Mr. President, I ask that the chair lay before the Senate the amendment of the House of Representatives to S. 1107.

The PRESIDING OFFICER (Mr. Gore in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1107) to provide a 2-year extension of the existing provision for a minimum wheat acreage allotment in the Tulelake area of California, which was, on page 2, line 1, after "1962" insert "or 1963".

Mr. KUCHEL. Mr. President, I ask the concurrence of the Senate in the amendment of the House. I have the approval of the distinguished Senator from Louisiana [Mr. Ellender], chairman of the Committee on Agriculture and Forestry, and the ranking members of the committee on the minority side of the aisle.

The amendment, which affects the growing of Durum wheat in the Tulelake area of California, provides that the exception which the Senate wrote into the bill shall apply in the year 1963 as well as the year 1962. On that basis, I move that the Senate concur in the amendment of the House.

The motion was agreed to.



# MEXICAN FARM LABOR PROGRAM— CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2010) to amend title V of the Agricultural Act of 1949, as amended, and for other purposes.

Mr. KEATING. Mr. President, in the light of the debate which has taken place, it seems to me that it would be unwise to give further consideration to the conference report at a time when Congress is moving toward adjournment. A few moments ago, I read in the New York Times an editorial which suggested that it would be wise to defer consideration of the conference report until January, unless it contains the substance of the amendment offered by the distinguished Senator from Minnesota [Mr. McCARTHY].

Therefore, in a moment or two I shall move that the Senate defer consideration of the conference report until Friday, January 26, 1962; but before making that motion, I wish to address a parliamentary inquiry to the Chair.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. KEATING. If the motion to defer consideration of the conference report to Friday, January 26, 1962, should not succeed, would it then be in order to move to defer its consideration until Thursday, January 25, 1962?

The PRESIDING OFFICER. The failure of the first proposed motion would have no bearing upon the second motion, assuming that the second motion were materially different from the first.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. Did I correctly understand the Senator from New York to state that he is considering a motion to have the Senate pass upon the consideration of the conference report on January 15, or, if that motion should fail, on January 24, 1962?

The PRESIDING OFFICER. The Senator from New York propounded a parliamentary inquiry. The Chair is unable to determine the course of action which the Senator from New York had in mind.

Mr. KEATING. I shall be glad to enlighten the majority leader. I am about to move to defer consideration of the conference report until Friday, January 26. I shall state my reasons briefly. I made a parliamentary inquiry as to whether, if that motion failed, it would be in order to move to defer the consideration of the conference report until Thursday, January 25, or to some other date in January. The Chair informed the junior Senator from New York that the second motion would be in order if it were materially different from the first one.

Mr. MANSFIELD. Mr. President, will the Senator from New York yield?

Mr. KEATING. I yield.

Mr. MANSFIELD. The Senator from New York advances a very interesting proposal; but it seems to me that what he is suggesting is, in effect, two possibilities which could cover the same subject within the period of a week. I would not for the world say that the Senator was employing dilatory tactics.

Mr. KEATING. No; I understand that.

Mr. MANSFIELD. I realize that speaking in depth entails taking some time. However, I plead with the Senator from New York, not in view of the fact that some Senators have looked forward to adjournment this coming Saturday, or possibly on Sunday morning; but because this subject has been discussed on two occasions, there have been numerous votes on particular amendments, and there was a ye-and-nay vote on the passage of the bill. I am sure, in my own mind at least, that no Senator will change his opinion at this late date.

If Senators wish to make motions, I think they should do so, because that is their right; but I hope the motions will be considered expeditiously and that the conference report will be voted up or down.

I am on the side of the Senator from New York, the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Minnesota [Mr. McCARTHY], and the Senator from Illinois [Mr. DOUGLAS]. However, I think we ought to face the situation, vote the conference report up or down, and quit wasting the time of the Senate.

Mr. KEATING. I am sympathetic to the views of the majority leader, who has a responsibility to the Senate. I think I can state why a deferral of the question until January would not injure anyone.

Mr. MANSFIELD. Not merely January, but twice in January within a week's time as I understand.

Mr. KEATING. I wish to make it clear to the distinguished majority leader that what I posed was a parliamentary inquiry.

Mr. MANSFIELD. The Senator from New York does not pose parliamentary inquiries unless he has something in the back of his mind. I have known him a long time in both Chambers of Congress. That is another warning sign.

Mr. KEATING. The Senator from Montana is quite correct. The parliamentary inquiry is not necessarily intended to indicate the intentions of the Senator from New York, and I know nothing about the intentions of Senators who may be allied with me on this issue. At the moment, I am on the verge of moving to defer the consideration of the conference report until January. The reason why such action would not in any way injure the program is that it is my understanding that the months of January and February represent the period when farmers generally contract for the Mexican labor. Mexican labor is not employed—at least, in any great numbers—during the months of January and February. By January, the Senate would be able to have digested the problems involved in the controversy

and, in my judgment, would be better able to reach a conclusion.

Mr. KUCHEL. Mr. President, will the Senator from New York yield?

Mr. KEATING. I yield.

Mr. KUCHEL. I suggest to the able Senator from New York that the parliamentary inquiry he has just propounded reminds me that perhaps his statement could be described most accurately as an announcement of low-yield nuclear parliamentary testing.

Mr. KEATING. I appreciate the Senator's comment. I propounded the parliamentary inquiry in order to clear the atmosphere, so as to make abundantly certain in the minds of those with whom I am allied in this effort, as well as in my own mind what the parliamentary situation is.

It is my sincere hope that Senators will feel that this subject is not of such urgency that consideration of it may not be postponed at this time. The conference report will still be before the Senate when we reconvene. There is no reason why the Senate cannot adopt it on January 26; or if that date in any way interferes with any other plans of the leadership, I should be very happy to select some other date more in accordance with the wishes of the leadership. Nevertheless, I believe that no harm would be done by postponing consideration of the conference report. To do so would permit the Senate to get on with its other urgent business.

Therefore, I move to defer the consideration of the conference report until Friday, January 26, 1962.

Mr. JORDAN. Mr. President, I move that that motion be laid on the table.

Mr. HOLLAND. Mr. President, before the Senator from North Carolina makes the motion, will he yield to me?

Mr. JORDAN. I yield.

Mr. HOLLAND. First, I should like to say to the Senator from New York that what he suggests would be of no hardship to the farmers of his own State or to the farmers of the State represented in part by me; but it would represent a real hardship to those in the citrus industries of California, Arizona, and Texas, all of whom will be picking and handling their fruit at that particular time of the year—in January—when this measure would not be applicable. It would be a particular hardship on the winter producers of vegetables and other small crops, many of whom in the States I have mentioned need stoop laborers.

So I do not believe that the Senator from New York realizes that he is offering to visit such a handicap, such an inconvenience, and perhaps such a great loss upon good people in other parts of the Union who would be so adversely affected by putting off this decision until late January, as he has proposed.

So I hope he will withdraw his motion, because it so obviously would be of great disservice to a great many persons who should not be so mistreated.

Mr. KEATING. Let me ask the Senator whether I have been incorrectly informed that in January and February the contracting arrangements for Mexican labor are made.







Public Law 87-353  
87th Congress, S. 1040  
October 4, 1961



An Act

75 STAT. 773.

To abolish the Federal Farm Mortgage Corporation, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That (a) the Federal Farm Mortgage Corporation, established by the Act of January 31, 1934 (48 Stat. 344; 12 U.S.C. 1020), is hereby abolished; and, except as provided in subsection (d), all of the powers, duties, functions, and authority of such Corporation are hereby terminated.

Federal Farm  
Mortgage Cor-  
poration.  
Abolishment.

(b) All right, title, and interest in or to real property other than reserved mineral interests which may appear of public record in any farm credit district to be in the Land Bank Commissioner or the Federal Farm Mortgage Corporation are hereby confirmed to be in the Federal land bank of said district, and said bank is hereby authorized in its own name or in the name of the Federal Farm Mortgage Corporation to execute any assignment, release, satisfaction, or other instrument as may be necessary or appropriate in connection therewith to perfect title of record in the true owners.

(c) All right, title, and interest to any reserved mineral interests of the Federal Farm Mortgage Corporation which have not been disposed of otherwise by the Federal Farm Mortgage Corporation are hereby confirmed to be in the United States of America to be administered by the Secretary of the Interior under the mineral laws of the United States.

(d) There are hereby transferred to the Secretary of the Treasury (1) all cash, accounts receivable, and other assets owned by the Federal Farm Mortgage Corporation, and (2) all authority of such corporation relating to the collection of notes receivable from the Federal land banks.

(e) Any cash received by the Secretary of the Treasury, and any moneys collected by him, by virtue of the transfer made under this section shall be deposited in the general fund of the Treasury as miscellaneous receipts.

SEC. 2. No suit, action, or other proceeding lawfully commenced by or against the Federal Farm Mortgage Corporation shall abate by reason of the enactment of this Act, but the court, on motion or supplemental petition filed at any time within twelve months after the date of such enactment, may allow the same to be maintained by or against the Secretary of the Treasury.

SEC. 3. (a) Sections 1, 2, 3, 4, 5, 6, 12, 17, and 18 of the Federal Farm Mortgage Corporation Act, as amended (12 U.S.C. 1020, 1020a-1020h, 992a, 723(f)), are hereby repealed.

Repeals and  
amendments.

(b) Sections 32 (except the fourteenth sentence thereof), 33, 34, and 35 of the Emergency Farm Mortgage Act of 1933, as amended (12 U.S.C. 1016-1019, except 1016(h), second sentence), are hereby repealed, and the fourteenth sentence of such section 32 (12 U.S.C. 1016(h), second sentence) is hereby amended by deleting therefrom the word "such".

(c) The first sentence of the eighth paragraph of section 13 of the Federal Reserve Act, as amended (12 U.S.C. 347), is amended by striking out "or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act,".

38 Stat. 958.

(d) The first sentence of section 14(b) of the Federal Reserve Act, as amended (12 U.S.C. 355), is amended by striking out "bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months,".

38 Stat. 264.



- 48 Stat. 44. (e) The fourteenth paragraph of section 7 of the Federal Farm Loan Act, as amended (12 U.S.C. 723(c)), is amended by striking out the fourth sentence thereof.
- 39 Stat. 370;  
48 Stat. 346. (f) The last paragraph of section 12 of the Federal Farm Loan Act, as amended (12 U.S.C. 772), is amended to read as follows:  
"Amounts transmitted to Federal land bank associations by Federal land banks to be loaned to its members shall, at the option of the bank, be in current funds or, at the option of the borrower, in farm loan bonds."
- 59 Stat. 267. (g) Paragraph Eighth of section 13 of the Federal Farm Loan Act, as amended (12 U.S.C. 781), is amended to read as follows:  
"Eighth. To buy and sell United States Government obligations direct or fully guaranteed."
- (h) Section 13 of the Federal Farm Loan Act, as amended (12 U.S.C. 781), is amended by striking out paragraphs Fifteenth, Sixteenth, and Twentieth thereof.
- 39 Stat. 378. (i) Section 22 of the Federal Farm Loan Act, as amended (12 U.S.C. 897), is amended by (1) striking out clause (e) under the heading "In the case of a Federal land bank", and (2) striking out clause (e) under the heading "In the case of a joint-stock land bank".
- 48 Stat. 347. (j) Section 62 of the Farm Credit Act of 1933, as amended (12 U.S.C. 1138b), is amended by striking out "the Federal Farm Mortgage Corporation,".
- 49 Stat. 1461. (k) The Act of June 4, 1936, as amended (49 Stat. 1461; 12 U.S.C. 773a), is amended by striking out "the Federal Farm Mortgage Corporation," and "the Land Bank Commissioner".
- (l) Section 7(b) of the First Deficiency Appropriation Act, fiscal year 1936, approved June 22, 1936 (49 Stat. 1648; 15 U.S.C. 712a(b)), is amended by striking out item 4 thereof and by redesignating items 5 to 13, inclusive, as 4 to 12, respectively.
- (m) The Act of September 6, 1950 (64 Stat. 769; 7 U.S.C. 1036), is amended by striking out section 4 thereof.
- 67 Stat. 393;  
69 Stat. 662. (n) Section 7(a) of the Farm Credit Act of 1953, as amended (12 U.S.C. 636f(a)), is amended by striking out the second and third sentences thereof.
- 62 Stat. 703. (o) The second sentence of section 433 of title 18 of the United States Code is amended by striking out "the Federal Farm Mortgage Corporation Act,".
- 62 Stat. 711. (p) The first paragraph of section 493 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation".
- 62 Stat. 729. (q) Section 657 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation,".
- 65 Stat. 718. (r) Section 658 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation,".
- 62 Stat. 705. (s) Section 1006 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation,".
- 62 Stat. 752. (t) Section 1014 of title 18 of the United States Code is amended by striking out "or the Federal Farm Mortgage Corporation,".
- 59 Stat. 597. (u) Section 101 of the Government Corporation Control Act, as amended (31 U.S.C. 846), is amended by striking out "Federal Farm Mortgage Corporation;".

October 4, 1961

-3-

Pub. Law 87-353

75 STAT. 774.

(v) The Department of Agriculture Organic Act of 1944, as amended (58 Stat. 741; 12 U.S.C. 1020a-1), is amended by striking out section 603 thereof.

(w) The last paragraph of section 32 of the Federal Farm Loan Act, as amended (12 U.S.C. 992, 993), is hereby repealed.

Repeal.

48 Stat. 41.

Approved October 4, 1961.

